



Sajhedari Bikaas

Public Participatory Planning (P3) Manual



Promoting Access for
Gender and Social Inclusion in Nepal

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ACRONYMS

ADDCN	Association of District Development Committee of Nepal
CA	Constituent Assembly
CBO	Community-based Organization
CDO	Chief District Officer
CELLRd	Centre for Legal Research and Resource Development
CF	Community Facilitator
COR	Contracting Officer's Representative
CPA	Comprehensive Peace Agreement
CSO	Community Support Organizations
CSP	Community Development Projects
DDC	District Development Committee
DDO	District Development Office
DIDC	District Information Documentation Centre
DNGO	District Non Governmental Organization
DQA	Data Quality Assessment
DTO	District Technical Office
EA	Equal Access
GESI	Gender Equality and Social Inclusion
GIS	Geographic Information System
GON	Government of Nepal
IPC	Integrated Planning Committee
LDO	Local Development Officer
LGCDP	Local Governance and Community Development Programme
LPC	Local Peace Committee
MCPM	Minimum Conditions Performance Measure
MG	Municipal Government
M&E	Monitoring and Evaluation
MFALD	Ministry of Foreign and Local Development
MoPR	Ministry of Peace and Reconstruction

NAVIN	National Association of VDCs in Nepal
PBMS	Performance Based Management System
PBC	Project Beneficiary Committee
PMC	Project Management Committee
PMP	Performance Monitoring Plan
PMC	Project Selection Committee
PSA	Public Service Announcement
SMC	School Management Committee
SM	Social Mobilizer
SO	Site Overseer
SOW	Scope of Work
TA	Technical Assistance
TOR	Terms of Reference
TOT	Training of Trainers
USAID	United States Agency for International Development
VDC	Village Development Committee
VP	Village Profile
WCF	Ward Citizen Forum
WEG	Women Economic Group
WDO	Women and Development Office
YI	Youth Initiative

1.0 ABOUT THIS MANUAL

This manual explains how staff and partners will support a Participatory Planning Process (P3) that ensures inclusion within local bodies in Nepal. The P3 Manual details the Community Development System in Nepal, and trains staff on the 14 Point Planning Process that is used in Nepal by the Ministry of Federal Affairs and Local Development (MFALD). The P3 manual illustrates the tools and local accountability systems that are promoted at the VDC and DDC level to support the Local Self Governance Act (LSGA). The LSGA provides the regulations and guidance that local government (LG) officials need to administer the planning and development process in Nepal. This training also focuses on Social and Community Mobilization and the role that it plays in creating inclusion and participation in the annual planning process in Nepal. The manual and tools included will be useful for project management staff; community groups and non-governmental organizations that will help support the objectives of Sajhedari Bikaas.

1.1 TRAINING OBJECTIVES

The broad objective of this technical training and capacity development program is to support the needs of the Sajhedari Bikaas project and ensure that partners such as: District (DNGO) partner staff, GON officials, Social Mobilizers, supervisors, overseers/sub-overseers, engineers and coordinators are able to perform their roles and responsibilities. A Training of Trainers (TOT) approach is used to ensure replication and scale over the life of the Sajhedari Bikaas project. This approach also supports lessons and skills to be transferred all the way to the Ward and Settlement level. Each trainer will come with a set of skills already, and will integrate this learning into their 'tool box' to discover new ways to ensure more direct assistance to the communities that need it the most. Training methods and content is designed to support Community Driven Development Processes (CDDP) in Nepal, with an emphasis on the active and integrated participation of women, youth and marginalized groups. Each participant will be asked to actively engage in all activities and infuse them with their own unique perspectives that will benefit the Sajhedari Team, and improve over time participatory public planning processes in the targeted areas in which we will work.

1.2 COMMUNITY DRIVEN DEVELOPMENT AND P3

Community Driven Development (CDD) is an approach that gives control of development decisions and resources to community groups and representative local governments. Supporting greater inclusion and public participation in the annual planning process in Nepal is a cornerstone of Sajhedari Bikaas's **Theory of Change**. We believe if there is greater inclusion in the public planning process and in decision making, that communities will experience less conflict over planning and access to resources. We believe that the process of inclusive participation in planning and implementation of Community Development Projects (CDPs) will empower communities to learn to understand the needs of different ethnic and minority groups, by building critical skills in joint planning, public dialogue and conflict prevention and mitigation. By providing space for more inclusive public planning, dialogue and accountability structures we hope to

support more empowered and peaceful communities and local bodies¹ in Nepal.

Under a CDD approach communities receive funds, decide on their use, plan and execute the chosen local projects, and monitor the provision of services that result from it. It improves not just incomes but people's empowerment and governance capacity. Community-driven programs, have financed services such as water supply and sanitation, health services, schools that are tailored to community needs and likely to be maintained and sustainable, nutrition programs for mothers and infants, the building of rural access roads, and support for livelihoods and micro enterprise.

CDD has proved an effective way to rebuild communities in post-conflict and transition environments such as Nepal. By restoring trust at a local level and rebuilding social capital, it has produced valuable peace dividends in places like Rwanda, Bangladesh, Bosnia-Herzegovina, Burundi, and East Timor. After the 2005 tsunami, CDD approaches in Indonesia, India, and Sri Lanka provided a front line of response to ensure that resources were being used effectively and transparently, and that the affected communities were involved in assessing their needs and designing recovery programs.

Our approach supports three principles that will guide planning, strategy, implementation and impact evaluations for Sajhedari Bikaas.

1. Promotes the **efficient use of public resources** by those who need them most. The approach gives communities and local governments the authority and resources to undertake initiatives in sectors that will produce the highest impact at lower cost than centrally managed programs.
2. **Empower communities** to plan and manage their own economic and social development.
3. Establishes more **effective local governance** through transparent and accountable local decision-making.

¹ Local bodies refers to Village Development Committees (VDCs), District Development Committees (DDCs) and other informal local accountability structures such as Ward Citizen Forums (WCF), Citizen Awareness Centers (CACs) and Community Based Disaster Risk Management (CBDRM) Groups etc.

2.0 OVERVIEW

2.1 INTRODUCTION TO SAJHEDARI BIKAAS PROJECT

Sajhedari Bikaas is a five-year USAID-funded project primarily aimed at empowering communities to direct their own development. Sajhedari Bikaas is specifically designed to offer sustainable, locally appropriate development solutions to respond to the shifting political and social context in Nepal. Sajhedari Bikaas seeks to create an environment where social inclusion is central to local development planning and where people living at the community level experience less conflict over community resources and identity, gender and social conflict.

Unequal development is both a cause and a result of exclusion in Nepal (UNDP 2009). Sajhedari Bikaas, which translates as “partnerships for development,” rests on the principle that the mainstreaming of women, youth and marginalized groups in community-led planning processes and conflict mitigation will institutionalize these group’s voices and choices for more effective and sustainable development. In the next five years, the Project will work in six districts in Nepal’s Middle and Far West Regions, in about 120-village development committees (VDCs) over two phases. The project will provide technical assistance, material support, and training to achieve the following: (1) establish an enabling environment for community development; (2) increase communities’ ability to access resources and to effectively implement inclusive development projects; and (3) improve the ability of existing and new government units to function effectively.

Empowering communities to make decisions about the resources they use is one of the best ways to ensure that development activities are responsive to community needs and sustained beyond the project’s lifetime. Nepal has a sophisticated and well-written Local Self Governance Act (LSGA) and a history of trying to devolve decision making to be more effective and collaborative at the local level. The Local Government Community Development Program (LGCDP) is a Government of Nepal (GON) program supported by numerous donor and multilateral partners that was designed to support more effective and integrated community development approaches. LGCDP stakeholders and the collaborating GON Ministry, the Ministry of Foreign Affairs and Local Development (MFALD) has developed guidance and manuals that detail the envisioned community development approach in Nepal. But in reality this guidance has not reached the VDC level and although there are many new systems and approaches, they have not been adopted in practice in most rural communities in Nepal.

“Local development should be planned and managed by local citizens, their communities, and their local governments within a clearly defined decentralized framework that devolves real power and resources to local governments and communities. Capacity support would be provided by technical institutions and sectors, and non-governmental institutions.”

- Local Communities Scaling Up,
- World Bank, 2010

National instability and constantly shifting national and political imperatives has held hostage many of the most basic Local Governance (LG) processes. Sajhedari Bikaas seeks to support more effective and inclusive community development by working in collaboration with LG systems as well as local communities experiencing conflict. DNGO partners are a critical part of our vision to more effectively support marginalized communities,

by acting, as our frontline providers of training, facilitation and skills in community resources planning that will strengthen access.

Sajhedari Bikaas seeks to increase access to resources and skills for the most marginalized communities and groups in Nepal so we have simplified our community-based contracting procedures to allow effective and speedy implementation of numerous small localized subprojects.

In an effort to collect and synthesize experiences and best practices from around the world in community contracting, this training incorporates lessons learned from Pact's Community Contracting approach in other countries and also lessons learned from synthesis studies done by the World Bank and from other South Asia and relevant contexts with underlying factors and contexts similar to Nepal.

The figure below outlines the Program Framework for the Sajhedari Bikaas project. The Community Contracting process is a critical part of this vision. It is a tool that will allow the resources that Sajhedari Bikaas uses to provide community access to decision-making and strengthen skills for community development planning and empowerment.

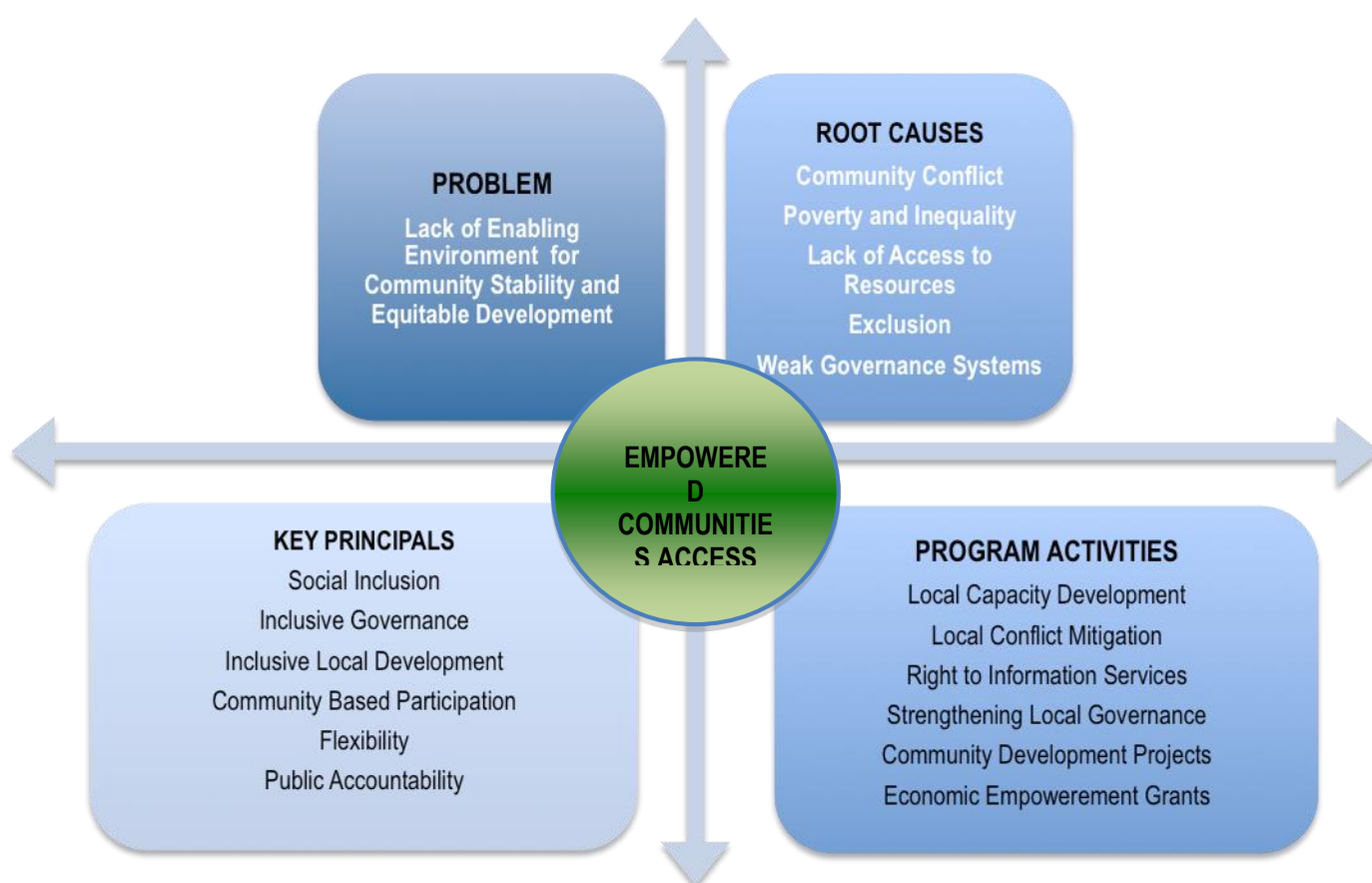


Figure 1 Sajhedari Bikaas Project Framework

2.2 SAJHEDARI BIKAAS AND COMMUNITY DEVELOPMENT PROCESSES

The overall goal of Sajhedari Bikaas is for communities to make decisions more collaboratively over resources and to encourage greater access to decision making from marginalized group members. The emphasis is on

how communities themselves manage transparent and accountable Community Development Processes (CDPs) with the minimal amount of conflict. But the Sajhedari Bikaas approach does not stop there. We also want partners and communities to learn to resolve conflicts more effectively and create a more inclusive environment that can help stem social and identity-based conflicts.

Introducing new resources is inherently problematic, especially in communities where elite members of the community have controlled decision-making and access to resources. In Nepal access to resources also stems from the Annual Planning Process and it is critical that where possible we leverage resources that are underutilized from the Government of Nepal (GON) and increase access to these resources by the most marginalized at the Village Development Committee (VDC) and Ward level. Each district will be different and it is essential that communities learn how to access these resources by advocating for their decision-making needs in a way that is constructive and collaborative and limits the potential for conflict.

The systems and tools used in this manual and training have been developed to complement the guidance of the Local Government Community Development Program (LGCDP) and Government of Nepal (GON) regulations and guidelines for public planning. In addition this manual also reflects some of the best practices and lessons learned from CDD projects in other contexts in South Asia and beyond to ensure that District NGOs (DNGOs) and Sajhedari Bikaas staff are sharing systems and tools that have been proven to increase inclusion and voice in public decision making processes over development resources.

2.2 GON PLANNING SYSTEMS

It is essential that Sajhedari Bikaas partner staff understand the larger vision of the project and its objectives, as this understanding will ensure greater social inclusion in development planning. The Sajhedari Bikaas Community Contracting (CC) system² is designed to complement and work with the GON and Ministry of Federal Affairs and Local Development (MFALD) 14 Point Annual Planning process (see Annex 3). It is anticipated that over time communities will become more engaged and knowledgeable about the annual planning timeline in Nepal. Specific GON policies have been integrated into training modules as well as relevant guidance from the Local Self Government Act (LSGA).

It is also important that DNGO staff are aware of current and anticipated changes in Local Governance (LG) systems. DNGOs will be expected to work closely with District Social Mobilizers as well as District Development Committee (DDC), line ministries technical officers and other DDC staff to ensure that VDC community members are aware of any changes that may influence them.

This training will look closely at lessons learned from LGCDP and other relevant host country approaches for improved CDP systems in Nepal. It is anticipated that Sajhedari Bikaas activities will support improved community level planning by working closely with Ward Citizen Forums (WCF), Village Citizen Forums (VCFs), Citizen Awareness Centers (CAC), Community Based Disaster Risk Management (CBDRM) Groups, and Social Mobilizers for LGCDP as well as Local Resource Persons (LRP). It is important that we coordinate well with community systems that have been designed to support Local Government (LG) and Community Planning and Management.

² See Sajhedari Bikaas, *Inclusive Community Contracting Manual*, April 2013.

Figure 2 MFALD, 14 Point Planning Process

DNGO staff will be expected to support LGCDP and GON systems. We are not creating parallel processes, but are instead ensuring that the maximum number of people are engaged in the planning process and have increased access to resources and decision-making at the local level. It is our vision that by creating inclusive communities that there will be less conflict and more empowered citizens to engage in community level resource planning, management and leadership in Nepal.

2.4 PARTICIPATORY PLANNING PROCESS (P3) IN NEPAL

According to the Local Self-Governance Act (LSGA) of 1999³ all local government bodies are obliged to conduct a participatory development planning process. This requires service providers, including NGOs, working in a specific area to coordinate their planning, resource mobilization and service delivery with the concerned local bodies. The LSGA stipulates that plans should be generated at the ward level, based on assessed needs. The ward chairperson submits the ward plan to the VDC or municipality, which in turn prepare a VDC/municipal plan.⁴

Programs, which can be implemented using village and municipal resources, do not need to be forwarded to the district. However, programs requiring district or national level support are discussed at the *Ilaka*⁵ level, where a prioritization process takes place. Selected programs are forwarded to the relevant district, where DDC sectoral committees conduct another selection and approval process before finalizing them and submitting them to the integrated planning committee, which submits district development plans to District Council for approval. Programs approved at the district level are forwarded to the National Planning Commission (NPC) for approval. The relevant Ministries are then meant to prepare budgets, which are submitted, to the Ministry of Finance for budget allocation.

Significant improvement has been observed in recent years regarding adherence to the stipulated procedures of the planning process, with additional steps introduced by the Local Governance & Community Development Programme (LGCDP) and the work of Social Mobilizers. The dissolution of elected bodies in 2002 and the subsequent establishment of the All Party Mechanism (APM) have also impacted the planning process and it has been noted that the prolonged absence of elected bodies at the local level has adversely affected the mobilization and participation of common citizens during the planning process. Evidence from district level stakeholders, including community members, suggests that there are still gaps to be filled when it comes to the consultative parts of the process.

Familiarity with Nepal's Annual Planning process will be critical to assist communities in leveraging funds that support community contracting approaches and projects that Sajhedari Bikaas will complete. Every project will have some kind of community contribution. This may be in the form of labor and materials, or it may be leveraged resources from the community and annual planning process or VDC development plans. DNGO staff will be asked to work with community groups to maximize local resource planning as well as support CC approaches at the VDC level.

The table shown in **Figure 3** represents a typical Annual Planning Process in Nepal. It highlights some of the intersections where new units and mechanisms such as Ward Citizen Forums and other accountable and participatory structures can integrate more fully with the tasks and roles. These timeframes can shift

³ Local Self Governance Act, 1999 and Local Self Governance Regulation, 2002

⁴ LGCDP introduced Blended Block Grant Guidelines in 2008, which stipulates that Ward Citizen Forums generate the initial proposals, which then go to integrated planning committee. After prioritizing projects, the integrated planning committee submits the village development plan to village council.

⁵ Cluster of VDCs and municipalities

based on the release from the National Planning Commission (NPC) of the Guidance and Budget Ceiling annually and is also influenced by national level political issues.

2.5 COORDINATION WITH LGCDP

It is essential that Sajhedari Bikaas work through existing systems and structures and coordinate closely with LGCDP efforts. This will be critical both in scale and scope to ensure that efforts are made to support the GON. LGCDP Phase I activities were planned to achieve three overarching outcomes related to citizen empowerment, local government operations and local government policymaking and execution. Together they aimed to strengthen the demand and supply sides of local governance by empowering citizens to actively engage with local government bodies and to increase the capacity of the government to deliver basic public services through a devolved system of local government.

Overall, LGCDP I has:

1. Involved more than 770,000 citizens in WCFs in 3,817 VDCs and 387 Municipal wards in local level planning processes using 741 local service providers to facilitate that engagement;
2. Implemented a GESI strategy to ensure that the social mobilization process was inclusive of women, children and DAGs;
3. Established a Local Governance Accountability Facility (LGAF) for promoting downward accountability in the local governance system;
4. Increased the level of unconditional capital grant funding to LBs three-fold;
5. Developed and implemented a system of performance-based LB funding (MCPM); and,
6. Implemented a system of capacity development grants to LBs that allows them to manage their own Capacity Development programs.

Demand Side Activities

On the demand side, the LGCDP has followed a transformative approach to social mobilization, which uses local service providers to organize communities into Ward Citizens' Forums and Citizen Awareness Centers (CACs) in order to engage citizens in local governance processes. By 2011/12 WCFs covered 97.5% of all Wards and 85% of all municipalities nation-wide. 45% of memberships of these bodies were women. 35% of WCF members had participated in VDC or Municipality council meetings. In that single year over 33,000 WCFs proposed 106,280 community infrastructure projects, of which 36,900 were approved. By the same year, 4,082 CACs had been formed, involving nearly 110,000 persons, of whom 73% were women.

Concurrently, the Local Governance Accountability Facility (LGAF) established under the LGCDP contracted 75 civil society organizations to conduct expenditure reviews and social audits of local bodies in order to hold local bodies accountable. On another front, the LGCDP's gender equality and social inclusion program has been piloting a project to train men and women, including a cross-section of local body secretaries, line agency officials, gender equality watch group members, women's NGO members and social service provider staff in 10 districts in the GESI mainstreaming of planning processes and in GESI responsive budgeting and auditing.

Supply Side Activities

On the supply side of local governance, the LGCDP has organized local body staff orientation and training programs in areas like accounting and financial management, poverty monitoring and analysis, child friendly local governance and information, education and communication messaging. Using their own

capacity development grants, District Development Committees (DDCs) and municipalities have installed computer software related to bookkeeping, vital registration and social security programming, organized various training programs on policy guidelines, local level planning, accounting and financial management, leadership development and GESI and CFLG strategy implementation.

Up to the end of 2011/12, a total of 58,073 community infrastructure projects worth Rs 13.28 billion were provided to local bodies from blended unconditional and top up grants. 39.6% of these projects were road projects, 13.0% were education sector projects, 11.1% were clean drinking water projects and 36.3% were social sector projects (health, economic activities, environment, irrigation, etc). Over 152,000 households are now benefiting from irrigation of 19,109 hectares of land.

Programming guidelines that were prepared early in the program are now being reviewed and updated and MOFALD is in the process of introducing a results-based management capacity in the local bodies.

The program's performance based grants system has now been rolled out in all the local bodies. In 2011/12, 85% of DDCs, 87% of VDCs and 91% of municipalities were in compliance with its minimum conditions and received a top up grant.

In terms of public financial management and fiduciary risk management, auditing guidelines that prescribe standard methods for carrying out audits and preparing audit reports have recently been prepared. In 2011/12 the Office of the Auditor General conducted performance audits in 5 districts, covering 70 VDCs and 4 municipalities. Its report pointed out 36 issues requiring attention. MFALD has also prepared a Public Expenditure and Financial Accountability and Fiduciary Risk Reduction Action Plan (PEFA-FRRAP) which amalgamates public financial management and related fiduciary risk management programming into a single action plan to improve LB transparency and accountability of their financial transactions.

Finally, in the past year MFALD has signed a number of Memoranda of Understanding with International NGOs with the intent of harmonizing the Ministry's social mobilization programming with theirs. **Sajhedari Bikaas should also follow this trend.**

Capacity Development Achievements

LGCDP I invested heavily in both supply and demand side capacity development. At the macro level, program resources were used to provide competency-based training to over 50,000 program participants and stakeholders – to VDC secretaries and to local service providers' staff and their Social Mobilizers -- in everything from accounting to the REFLECT approach to SM. In fact, the topics covered by LGCDP training programs covered the full gambit of governance related skill set requirements including social auditing, public financial management, gender and social inclusion and building code compliance. All DDCs and municipalities and a limited number of VDCs following capacity development guidelines prepared by the Ministry prepared capacity development plans. The Ministry itself prepared and implemented a three-year CD strategy.

Program Management Achievements

The program has introduced many changes to the Ministry's operational and management systems and approach. Procedures and documentation have been developed covering day-to-day program implementation activities: e.g., guidelines for planning and decision making by local bodies. Procurement and financial management systems have been strengthened and a Public Expenditure and Financial Accountability and Financial Risk Reduction Action Plan has been prepared to reduce fiduciary risks. Structures for networking with local representatives of devolved sector ministries have been established.

2.5 LESSONS AND OPPORTUNITIES FROM LGCDP PHASE I

Over its life, LGCDP I has been the subject of several different types of review: the mid-term review, the focused evaluation, Quality Assessment Monitoring (QAM) reports and other monitoring and review activities. The following points highlight a number of lessons and observations arising from the experience of Phase I. They provide a useful inventory of areas of opportunity for coordination and synergy for Sajhedari Bikaas with LGCDP II:

- Social mobilization coverage in CACs is limited and there is a need to establish links with existing SM activities of LBs and other local governance actors.
- The transformative approach has not been fully internalized in the program, and SM activities need to be strengthened accordingly.
- The cascading approach to SM training taken in LGCDP I (i.e., national/local service providers) was not successful; consider assigning responsibility to regional organizations.
- Quality of LSPs was uneven. There is a need to consider how to better engage and reduce the total number of LSPs.
- Need for activation and institutionalization of various committees for oversight functions (WCF, D/MSMC, IPFC).
- Need to strengthen the role of WCFs, CSOs, grass roots level committees (e.g., health and education committees).
- Need to establish linkages between community level organizations with WCFs and the IPFC.
- Application of MCPMs should be expanded on pilot basis for VDCs and selected devolved sectors.
- Need to provide CD support to MC failed districts to address capacity shortcomings with provision of an appropriate alternative delivery mechanism.
- LGAF needs to be independent and autonomous. Need for clarity of role and function for social accountability in relation to various partners.
- Need for overall management of CD programming, including strengthening of LDTA and LBAs.
- Need for aligning VCD Secretary staffing categories with VDC categories; filling of vacant VDC positions and better retention of LDOs, VDC Secretaries and accounting staff and EOs; and, provision of alternate means of service delivery in VDCs where Secretary position is vacant.
- Need for appropriate institutional arrangements to be put into place for downward accountability to supplement and/or succeed the APM.
- Need for provision of technical support to LBs to improve own revenue.
- Need to establish and build LGCDP linkages with other sector/line agencies and other actors.
- Need for special Public Financial Management (PFM) arrangements to be put into place in high-risk districts.
- Need for alternate means of service delivery to be put into place in high-risk districts.

2.6 ALIGNING DONOR REPORTING AND GON NEEDS

A joint monitoring approach was adopted with contributing donor partners, and oversight structures within the Ministry have been established and/or strengthened, including a Ministry-wide framework for Monitoring and Evaluation. A number of reviews of specific aspects of the program were undertaken, including mid-term and focused evaluations. The Quality Assurance Mechanism was established to act as a tool for (i) supporting MFALD efforts to validate LGCDP's progress towards its stated results; (ii) conducting appropriate level assessments of on-going risks to the program; (iii) identifying and assessing organizational and systemic constraints that hinder the LGCDP's ability to reach its program objectives; and, (iv) making recommendations for more effective LGCDP implementation and the design of its successor program. **Sajhedari Bikaas will incorporate these lessons into our own impact measurement and activity design frameworks.**

Expected results	Indicators
Goal: To contribute towards poverty reduction through better local governance and community development	a) A reduction in the national poverty level as defined by NPC b) An increase in the country's Human Development Index (HDI) score
Purpose: To improve local governance for effective service delivery and citizens empowerment	a) Extent of change in citizens' perceptions of the quality of and access to services and infrastructure b) Extent of change in citizens' perceptions of their involvement in local governance processes
Outcome 1: Citizens and communities, actively engaged with local governance actors and holding them accountable	a) Extent of citizens', especially women, children and DAG involvement in local governance processes, b) Extent of WCFs and CSOs' oversight of services provided by local governance actors and extent to which local governance actors act upon observations raised by WCFs and CSOs
Output 1: Citizens' Participation: Citizens and community organizations actively participating in local governance	a) % increase in citizens, especially women, children and DAG , participating in local planning processes b) Creation of CACs and expansion of citizens' participation to include oversight, monitoring and prioritizing of local governance activities c) Citizens, especially women, children and DAG engaged in LED d) # of local bodies (DDC, Municipalities, VDCs) that have incorporated children's needs (disaggregated data by gender) in their annual plan from "bal bhela" (annual Children consultation meeting)
Output 2: Public Accountability: Citizens and communities empowered to assert their rights and hold government accountable at the local level	a) % of citizens, especially women, children and DAG, actively participating in public/social audits and public hearings b) Proportion of capital funds that are allocated to target groups c) Formal audit reports (internal and external) acted upon by LBs
Outcome 2: Increased access to resources and Improved financial and management capacity of local governance actors	a) LB performance in meeting MCPMs b) Improved performance of local governance actors in financial management, HR development, M&E and reporting
Output 3: LB's access to resources increased	a) Increase in LBs' own source revenue generation b) Increased revenue assignment base for LBs c) Increased grants from central government

Expected results	Indicators
Output 4: Public financial management system improved	<ul style="list-style-type: none"> a) Fiduciary risks reduced by full implementation of FRRAP b) Evidence of improvements in the procurement system c) FMS and procedures improved for timely and reliable financial reporting and a reduction in audit arrears
Output 5: Institutional and human resource capacities strengthened	<ul style="list-style-type: none"> a) Capacity development plans of MFALD and LBs in place and implemented b) Extent to which LDTA and LB Associations are able to enhance LBs' capacity c) Level of LB professional staff participation in training related to their responsibilities
Outcome 3: Improved efficiency and effectiveness of local service delivery	<ul style="list-style-type: none"> a) Evidence of improvement in delivery of local services in accordance with prescribed standards
Output 6: Service delivery and local infrastructure improved	<ul style="list-style-type: none"> a) Availability of technical standards for local infrastructure (including regular O&M) and for service delivery activities, and evidence of their ongoing use b) Community level dispute settlement through mediation c) Increased coverage of vital event registrations d) Coverage and timeliness of social security and social protection benefits to be made through a unified MIS registration system, and including delivery innovations such as electronic payment and mobile banking
Output 7: Strengthened integrated planning, budgeting, monitoring and evaluation and coordination amongst local governance actors	<ul style="list-style-type: none"> a) Evidence of systematic and ongoing interaction between LBs and other local governance actors in participatory planning and oversight processes b) Increase in the number of local governance actors involved in local committees c) Evidence that WCF and CAC priorities are considered by respective local governance actors d) # of local bodies (DDC, municipalities, VDCs) that have adopted CFLG processes, gender-responsive budgeting and gender auditing
Outcome 4: Strengthened policy and institutional framework for devolution and local self-governance	<ul style="list-style-type: none"> a) Devolution policies refined and institutional framework developed for administrative and fiscal federalism
Output 8: Refined policy on local governance and improved inter-agency cooperation	<ul style="list-style-type: none"> a) LSGA reviewed and amended to be in conformity with the constitution and sectoral laws b) Local governments categorized and restructuring plan developed c) LBFC, MFALD, LGAF and LDTA restructured to assume responsibility in the devolved context d) Guidelines/manuals/policies updated
Output 9: Policies developed for devolution and federalism	<ul style="list-style-type: none"> a) Devolution policy refined in the context of federal governance b) Proposal for fiscal (revenue and expenditure) and administrative assignments in place for provincial and local governance c) Local Government Restructuring Commission established and LGs restructured

The 14 Steps of the Participatory District Development Planning Process

Step	Activities/Work	Participants	Time-Frame
First Step Receipt of directives	<ul style="list-style-type: none"> Directives and information as well as budget ceilings for the coming year received from Ministries and the NPC 	District Level Sectoral Agencies	By the mid of November
Second Step Review of directives	<ul style="list-style-type: none"> Analysis and review of directives, policies, guidelines and the estimated budget provided by Ministries and the NPC 	Sectoral Agencies, DDC Chairperson, Vice Chairperson and Members	By the 3 rd week of November
Third Step Planning workshop	<ul style="list-style-type: none"> Dissemination of information on policies, objectives, programme resources, activities, available budgets Distribution of project request forms and orientation on how to complete them provided to the DC members 	DDC Officials, Sectoral Agencies, Chiefs of financial institution, I/NGOs, VDC Chairpersons, Vice Chairpersons and Secretaries	By the end of November
Fourth Step VDC meeting	<ul style="list-style-type: none"> Analysis of programmes/projects to be carried out at the ward level by the VDC 	VDCs, DDC and sectoral agencies representatives	By the 2 nd week of December
Fifth Step Ward level planning selection workshop	<ul style="list-style-type: none"> Participatory assessment and analysis of programmes Completion of forms at the ward level by communities 	Local residents, I/NGOs, User Groups, Ward Chairperson and Members	By the 3 rd week of December
Sixth Step Ward committee meeting	<ul style="list-style-type: none"> Prioritization of programmes/projects received from the ward level 	Ward Chairperson, members, and User Groups	By the end of December
Seventh Step VDC meeting	<ul style="list-style-type: none"> Prepare list of programmes/projects received from the settlement level Identify and finalise programmes/projects Prioritize programmes/projects which VDC can implement on its own and which needs outside support with estimated budget and separate those to be done from VDC and requiring support from outside. 	VDC officials and Sectoral Agencies representatives	By the 1 st week of January
Eighth Step Village council meeting	<ul style="list-style-type: none"> Approve programme/projects submitted by the wards Approve programme/projects to be done through VDC plan Identify programme/projects which require outside support, prioritized these and forward the to the DDC 	VDC council members	By the 2 nd of January

Figure 3 Detailed Nepal Planning Process

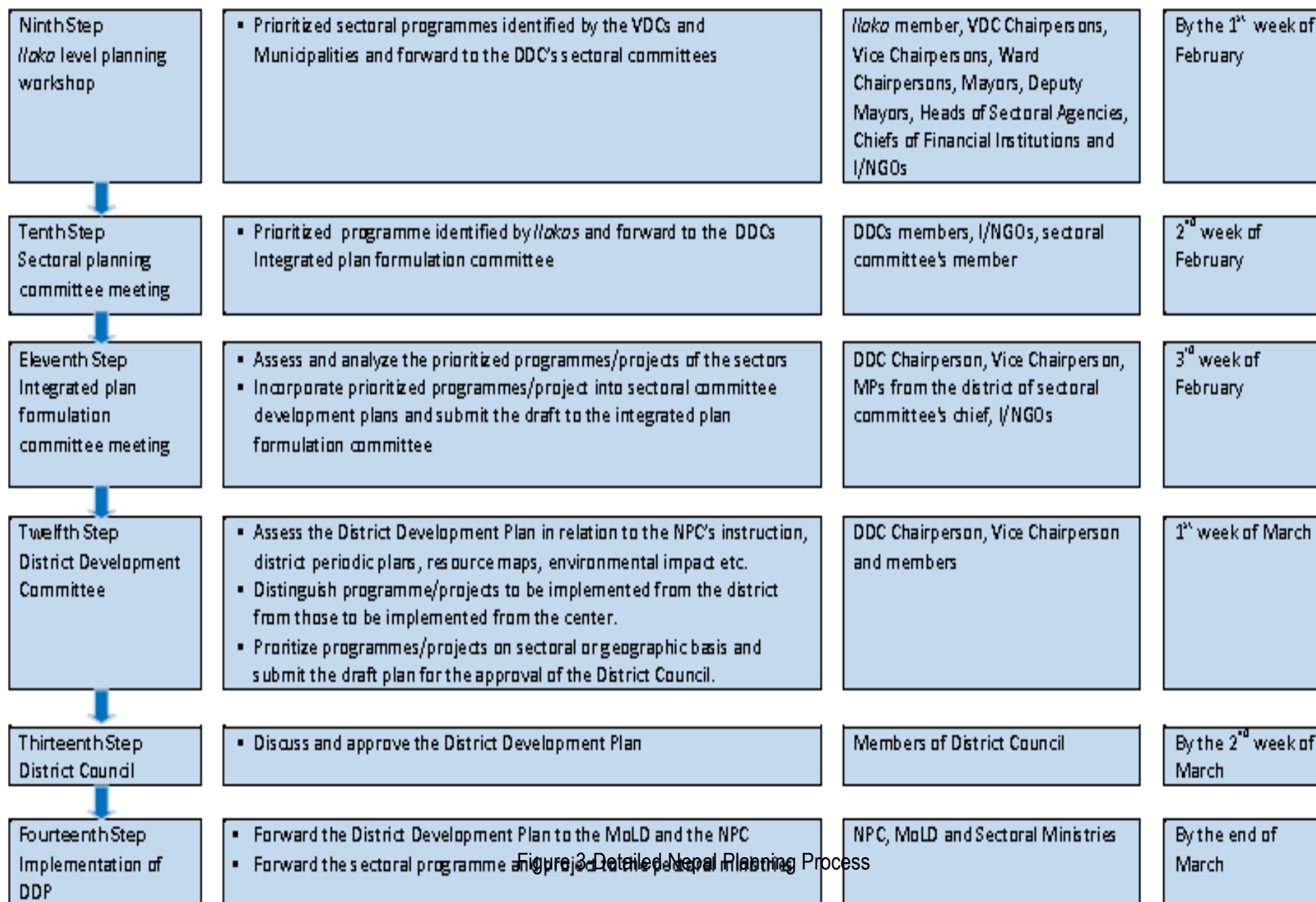


Figure 3: Detailed Nepal Planning Process

3.0 EMPOWERMENT AND PUBLIC PLANNING

3.1 SAJHEDARI BIKAAS THEORY OF CHANGE

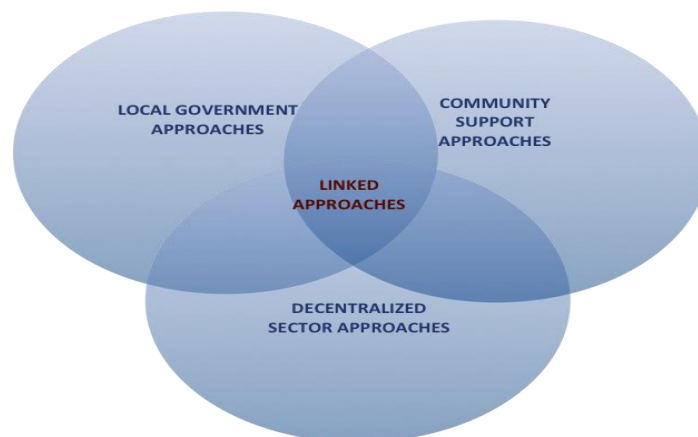
Sajhedari Bikaas has a theory of change that underpins our work on gender equality and social inclusion. This is used in the development, implementation, monitoring and evaluation of our programs. The theory is conceptualized as a framework with three interlocking “domains of change”:

1. Access to livelihood assets (resources) and services;
2. The ability of women and marginalized citizens to exercise voice, influence and agency; and
3. Changing the “rules of the game”, which refer to the policies and institutions which mediate and regulate people’s participation in “life of the state” (the planning process) to increase their access to livelihood opportunities.

The first two domains of change (“access to assets and services” and “voice, influence and agency”) are part of empowerment processes. The last domain of change (“rules of the game”) is where social inclusion does, or does not, take place.

The definitions of empowerment and social inclusion used by the World Bank have been adopted for Sajhedari Bikaas’s work on gender equality and social inclusion. These two definitions⁶ are as follows:

- **Empowerment** is the enhancement of assets and capabilities of diverse individuals and groups to function and to engage, influence and hold accountable the institutions that affect them.
- **Social Inclusion** is the removal of institutional barriers and the enhancement of incentives to increase the access of diverse individuals and groups to development opportunities



Empowerment occurs

at the individual

⁶ *Social Analysis Sourcebook: Incorporating Social Dimensions into Bank-supported projects*, (working draft) August 2002, p. 2, Social Development Department, World Bank, Washington, D.C.

and group level and has to do with changes in the *internal self-perceptions* of women, girls and those who have been in some way negatively defined and excluded by the dominant society. This builds their sense of agency (their capacity to act on their own behalf), as well as helping them to realize the power they gain from collective action. Empowerment also has to do with increasing their access to assets, services, and livelihood opportunities, which is often a critical prior or concurrent step in enabling the chronic and extreme poor to engage in collective activities such as annual planning and or public forums and exchanges at the VDC level

Empowerment approaches often work at the grassroots, ‘from below’, helping diverse groups of poor and socially excluded citizens organize themselves to improve their livelihoods and to demand broader institutional change. These approaches are most effective when they can be scaled up to stimulate the formation of *coalitions for change* between excluded groups and other better-off citizens who also want a more equitable society—or who share other interests with the excluded. Globally, across Asia, and in Nepal, collective action and coalitions for change have enabled women to make significant gains in terms of empowerment and inclusion.

Social inclusion concerns the institutions and the policies that must be changed if women, girls and other excluded people are to be able to effectively influence and change the encompassing institutional environment. Social inclusion is often referred to as the ‘rules of the game’ that control the distribution of assets, opportunities and voice to different individuals and groups.

Sajhedari Bikaas will seek to bring about system-level institutional reform and policy change to remove inequities in the external environment. Social inclusion requires a shift from an institutional environment that gives some individuals and groups more opportunity to realize their agency than others, to one where the political system and the rule of law support equal agency for all.⁷ Sometimes these reforms are reluctantly conceded by entrenched power holders who are forced to do so by economic and political events they can no longer control e.g. the Maoist up rising. But in other cases reforms are actively championed by change agents who are allies of the poor and excluded and who may have come to power within the current ruling group or from the opposition. In other words, while the social inclusion dimension of the social change process may be a response to pressure from below created through empowerment, it can also be instigated from positions of relative power within the existing institutional framework.

Our theory of change is premised on the understanding that change that does not happen in all three domains will not be transformational – it will have less impact and be less sustainable than change that occurs in all three domains. For example, assets may be increased and consumption smoothed temporarily by providing food or cash for work, but unless and until poor people can claim their rights to social security, education and health care, and decent work, there will be no sustainable improvement in livelihoods, people will not be empowered and social exclusion will remain.

Figure 3. Sajhedari Bikaas Theory of Change

3.2 OBSERVATION ON THE PLANNING PROCESS IN NEPAL

The first step on which the planning process is based is the receipt of directives and budget ceilings sent by the National Planning Commission (NPC) to the DDCs. This information should be received by the middle of November. However, most years the budgets is late and DDC assume a 10% increase over the

⁷ The idea of equality of *agency* as being necessary for the poor to realize equality of *opportunity* is taken from the paper by Vijendra Rao and Michael Walton, 2004, “From Equality of Opportunity to Equality of Agency—Grounding a Cultural Lens for Public Policy in an Unequal World” in *Culture and Public Action; A Cross Disciplinary Dialogue on Development Policy*, Vijendra Rao and Michael Walton, eds., Stanford University Press, Palo Alto.

previous year's budget and disseminate this information to VDCs. Often in the absence of a comprehensive budget ceiling (that includes sector allocations) from the NPC, the planning process at the VDC and district levels is more random, as a result it reduces the VDC and district plans to a 'shopping list'. Despite this almost annual delay, the second, third and fourth steps of the planning process, which includes discussions and analysis with stakeholders, are often completed on time, although for some districts this is a challenge based on access to remote areas.

Often there is a tendency by technical line agencies to fit their existing programs into the annual plan rather than plan based on resource availability and performance impact measures, as should be the case. Line ministries sometimes bypass local bodies and formulate their plans centrally causing stress on the planning process.

The fifth to eighth steps of the planning process foresee the participation of citizens in the planning process at the ward and VDC levels. In most districts, government officials, political party representatives and I/NGO staff understand the planning process and relevant guidelines. The majority of citizens however are not aware of these nor of the benefits their participation may have. One of the most persistent complaints at the local level is that VDC secretaries and political party leaders decide what the development needs of the village are.

In several studies on the planning process conducted recently in Nepal it was noted that villagers spoken to were not aware of the guidelines and were participating in a planning meeting for the first time. Citizens in the VDCs complained that they had never been consulted about their needs and that the VDC secretary and political elites of the village decide which projects to prioritize. However, DDC officials have noted that in VDCs where Citizen Awareness Centers (CAC) and Ward Citizen Forums (WCF) have been established under the LGCDP, public participation in development planning and other civic activities has considerably increased. As of the end of 2012, LGCDP has stated that they have completed the establishment of CACs and WCFs in all VDCs. Both of these structures should enhance public participation in the work of local governments.

The tenth step of the planning process is district and Ilaka level sectoral planning committee meetings, where DDC representatives, I/NGOs and line agencies' representatives prioritize the sectoral programs identified by VDCs, municipalities and Illaka. At this stage, I/NGOs are expected to add their programs. The VDC secretaries and DDC officials spoken to admitted that the final plans do not always take the recommendations of the lower level authorities into account and that the government line agencies and I/NGOs often put forward their program and priorities according to their own assessments, which have often lacked public participation. One DDC official remarked that many participants in the planning meetings, including political party leaders, do not have the technical expertise required to effectively prioritize projects based on the criteria set by the LSGA and other relevant guidelines. Instead it was argued that they simply support projects, which will directly or indirectly benefit them and their supporters. The official also noted that the priority sectors identified by the DDC in the periodic plan are more than a decade old and no longer relevant in the current context. For example, some do not mention gender and social inclusion as important factors to take into consideration.

The eleventh step's integrated plan formulation committee meeting assesses and analyzes the prioritized projects of different sectors and submits a draft integrated plan to the DDC which as part of the twelfth step finalizes the District Development Plan (DDP). One NGO representative, as well as a DDC official, stated that at this stage, political leaders often try to influence the process to ensure that projects are implemented in certain locations. They also noted that there is a perception that political parties informally divide the number of projects and budgets so as to easily reach consensus in the formulation of the DDP, which is endorsed by the District Council as the thirteenth step in the process, with

implementation being the fourteenth and last step.

3.3 THE ABOLISHMENT OF THE ALL PARTY MECHANISM

Many studies and partners and communities involved in supporting the planning process in Nepal cite that public participation at all district level stages of the local development planning process is not as influential as foreseen in the LSGA, with some even arguing that it is negligible. As a result, the general populations as well as VDC councils often feel that their views and assessments are not reflected in the final plans.

Many DDC and VDC employees, political leaders and NGOs feel that the dissolution of the All Party Mechanism (APM) would further limit public participation in the local development planning process and that it would be practically impossible for local government to function without some form of consultation with political parties. In particular DDC and VDC officials expressed concern about the absence of political parties and their cooperation in the planning and implementation of the DDP.

Political party representatives generally found that giving all responsibility for local development planning and implementation to government officials could easily result in greater corruption because of a lack of oversight. In several districts and areas APM members have forged formal complaints against the dissolution of the APM. It has been noted that despite dissolution of the APM, LDOs and VDC secretaries continue to liaise with political party representatives in terms of local development planning.

3.4 LESSONS LEARNED

Many stakeholders involved in the planning process in Nepal are of the opinion that the planning process has become more participatory over recent years, but that the lack of elected local bodies has allowed political parties and elites to make unwanted interventions in the planning process. In the many districts it has been noted that the coordination between Line Agencies and the DDCs in regard to the planning and implementation processes was seen as weak. Plans were too often perceived to be of an ad hoc nature, rather than based on needs assessments (partly due to inadequate information and data). As a result, prioritization criteria are often overlooked in the planning process and sometimes; local programs and priorities are changed at the district or national level due to conflicting interests.

In order to improve the level of public participation in the local development planning process stakeholders have suggested that local bodies need to comply with LSGA provisions as well as establish citizens forum at the ward level as envisaged by LGCDP. They also called for trainings of political party representatives and DDC/VDC officials on prioritization criteria, and for priority sectors in districts to be identified and updated regularly to address changing contexts. Below are some lessons noted from the field.

- **NEPAL HAS A HISTORY OF SOCIAL MOBILIZATION**

Over the past 25 years Nepal has developed a vibrant practice of social mobilization for group based action. From the very first efforts of the Small Farmer Development Program, the Production Credit for Rural Women Program and the Community Forestry Programs that back to the early 1980s. Group based approaches have combined empowerment and social transformation goals with more practical objectives of improving livelihoods or service delivery.

- **MOBILIZATION APPROACHES: TRANSACTION TO TRANSFORMATION**

By 2012 there were already nearly 750,000-documented community groups in operation in rural Nepal. Different programs over time have developed very different mixes in their relative emphasis on the transformational side of individual and group based development aimed at “changing the rules of the game” for women, Dalits or for the poor. The more transaction side

approaches focused on helping group members – whoever they are – to improve their situation under the current rules of the game. The transaction approaches use social mobilization as a process for group formation to organize people more efficiently to transfer assets and services.

Many transaction based approaches struggle to sustain themselves and their membership beyond the life of project inputs and support. Several studies conducted by LGCDP note that these approaches seem to have limited sustainability over time at the local level, especially in poorer and more isolated VDCs and Wards.

- **TRANSFORMATIONAL APPROACHES CAN BUILD CAPACITY OVER TIME**

Among the transformation processes, collective analysis of power relations and adoption of REFLECT principles and processes were found empowering for community women and men as the process developed people's capacity to analyze issues and to identify and implement local action. In a fragile post conflict setting where tensions can run high over shifting power relations and social hierarchies, involvement of the elite (political groups and other local actors) in the transformation process can help reduce conflict.

- **DUPLICATION OF PEOPLE AND PROCESSES**

In areas where many projects/programs are working there is duplication of groups, Social Mobilizers and processes for well being ranking. At the same time, in less favored areas , which do not have a history of development interventions, there are hardly any groups, providing an opportunity for a different approach to mobilization.

- **COORDINATION WITHIN LOCAL GOVERNMENT UNITS IS WEAK**

VDC/DDCs have not been able to play their natural governmental role of coordinating diverse inputs as projects/programs often work without informing them. There is an urgent need for local bodies to coordinate incoming assistance and provide evidence for area/target group selection. There is no systematic database with VDC/DDCs on the economic/wellbeing situation of women and men of different social identities in their area; nor is there any comprehensive listing of on-going or planned interventions. This has led to multiple and repeated targeting processes and often-inconsistent categorization of households, establishing parallel decision-making and service provision structures.

- **ROLE AND MANDATE OF SOCIAL MOBILIZER NOT UNDERSTOOD**

Donors and stakeholders of MFALD do not have a clear understanding of the role of the Social Mobilizer. In many cases Social Mobilizers are expected to work on empowerment and group organizational capacity building, leading to confusion between the mobilization and technical aspects of their work.

- **EXCLUSION OF HOUSEHOLDS**

Most of the group-based processes miss the poorest and most excluded households either because of barriers to entry to the groups or through self-exclusion by excluded households (due to reasons such as lack of time to engage, insecurity in terms of benefits from involvement in groups, lack of self-esteem and confidence, costs of membership and difficulties of maintaining credit repayments).

- **DIFFERENT MOBILISATION APPROACHES REQUIRED FOR POOR AND EXCLUDED**

Reaching the poor and excluded requires deliberate and sustained effort over time with creative strategies and sufficient resources. The mobilization support required is very different from that used for most group-based formation processes, requiring Mobilizers who have empathy and experience of working with the very poor and excluded and ability to provide individual household support.

- **IDENTIFYING THE POOR AND EXCLUDED**

The VDC Grant Operation Manual mention that special funds are to be directed towards the '*atti garib*' or extreme poor, MFALD now needs to be able to *objectively define this group and determine how they are to be identified*. While the participatory nature of wealth/well-being ranking processes currently used in disadvantaged household mapping can build community buy-in and reduce resentment over the selection of targeted households, it is *not an adequate basis for identification of those in need of formal social protection measures from the state*.

- **LINKING SOCIAL PROTECTION AND CITIZEN MOBILIZATION**

Across projects/programs there is recognition that the extreme poor are excluded, but there were few examples of practices that were trying to deal with this problem in a targeted manner. Even the more transformational approaches were failing to reach the extreme poor and excluded. In the examples where these households were targeted with particular mobilization support, an individual household-based coaching/counseling approach was found to be most effective combined with social transfers (conditional and unconditional cash transfers). However, for this individual support to be effective, the learning was that it needs to be linked to a graduation mechanism that helps individual households to access mainstream development opportunities and to the local body planning processes for access to services and other public goods.

- **WORKING WITH THE ELITES TO TRANSFORM THEM INTO 'CHAMPIONS OF THE POOR'**

Several programs/projects have developed some interesting processes to engage the elites with the extreme poor in analysis of the underlying causes of poverty and the changes that need to be put in place at the local-level to address these (e.g. ensuring minimum wage rates are paid). Working with the elites has led to positive change in terms of increasing poor people's access to local assets (land, forests, water-bodies). This focus on the wider relations of structural inequalities has been important in beginning a process of longer-term transformation.

- **LINKING SOCIAL MOBILIZATION WITH LOCAL BODY PLANNING**

Most programs/projects do not link groups with local body processes. Group processes are generally isolated from the local body. There are increasing examples of group successes in accessing resources and services directly from local bodies but these still reinforce a parallel structure rather than strengthening the local governance processes. Higher-level bodies formed of community organizations have been able to take a wider view of community development but are focused on the development of their sector and their group members. They are generally not working with the wider body of citizens within a VDC or municipality.

- **SOCIAL MOBILISATION AND IMPLEMENTATION OF LOCAL PLANNING PROCESSES FOR LOCAL BODIES CAN STILL CAUSE CONFLICT**

Despite changes in titles and responsibilities in the field for Social Mobilization there is still confusion between the social mobilizer's role in supporting citizens and groups to make claims on the local bodies, and their role as an 'arm' of local bodies to help them implement planning processes. If the local bodies employ the Social Mobilizer, this creates a conflict of interest and makes them less effective and credible as facilitators of social accountability processes that are intended to hold these same bodies to account.

- **LENGTHY PLANNING PROCESSES AS A BARRIER TO INCLUSION**

The planning process for allocation of VDC grants requires a lengthy engagement of households in discussing their priorities for provision of public goods. Often those who are **the poorest and most excluded can least afford to invest time in such processes** when the return is an uncertain public goods benefit that may not have a direct bearing on their already precarious livelihood security.

- **POLITICIZATION OF PLANNING AND DECISION-MAKING PROCESSES**

Programs and projects particularly those engaged directly in local body planning processes have experienced a range of problems with politicization. Some have been successful in reducing the effects of politicization through active and transparent engagement with political parties from the outset. This has helped to reduce the potential for conflict between parties and has made them publicly transparent about commitments to local development and poverty reduction.

- **CONFUSION OVER PLANNING AND BUDGETING PROCESSES**

The acute contradictions in timing of planning, budgeting and decision-making processes for allocation of resources and services by local bodies, line agencies and development partners is a major disincentive to building effective citizen engagement in local body planning processes. As a result of the late release of the budget ceiling, VDCs/municipalities are forced to plan in the same year (and usually at the end of a financial year) for implementation in the same year. This results in poor processes, hurried decision-making and poor implementation practices.

- **SOCIAL ACCOUNTABILITY MECHANISMS**

There is uneven experience in implementing effective social accountability mechanisms and very little evidence of accountability for decision-making in the VDC over allocation of VDC block grants. Most programs/projects use public audits and public hearings but these have become ritualized rather than processes that lead to change or challenge. These tools without processes to support their implementation remain tools and not mechanisms for accountability to citizens. This is only developed when there are processes in place to build citizen capability; that regularize and institutionalize mechanisms of accountability; and where poor practice receives sanctions. These processes still need to be institutionalized in Nepal.

4.0 GENDER EQUALITY AND SOCIAL INCLUSION

4.1 SAJHEDARI BIKAAS GESI STRATEGY

GESI is both a process and an objective. It is particularly important in Nepal because gender, caste, and ethnic exclusions overlap – cross-cutting different hierarchies, sectors, institutions, religions, occupations, languages, sexual orientations, and locations – restricting human choices and potentials. Without establishing viable mechanisms for increasing equality and inclusion, the prospects for creating an enabling and transformative environment for improved governance and peace building through “development partnerships” will be limited.

A GESI-sensitive approach prioritizes social justice in balance, fairness, representation, and diversity. The primary purpose of this Strategy is to offer guidelines for effectively integrating GESI throughout Sajhedari Bikaas’ programming and project implementation. It provides provisions for defining and prioritizing excluded groups, and ensuring representation of all groups to enable citizens to participate effectively in decisions concerning their own development. It includes achievable and sustainable objectives and results, and benchmarks (indicators) for measuring progress.

The Goal of Sajhedari Bikaas’ GESI Strategy is: To support the achievement of equality between women and men, regardless of social identities (based on caste, ethnicity, and gender) and other factors that may cause disadvantage, discrimination and/or exclusion, in order to better manage and direct their own development for sustainable outcomes.

The objectives of Sajhedari Bikaas’ GESI Strategy are:

- To advance the equal participation of women with men as decision makers in shaping sustainable program impacts;
- To support socially excluded groups (e.g., women, *Dalits*, Madheshi, Adivasi/Janjatis, persons with disability and others below poverty line) in the realization of their full human rights as agents and advocates for community-led development, good governance, and conflict mitigation; and
- To reduce gender inequalities and social exclusion in access to and control over resources, including local budget allocations and benefits from the program.

This GESI Strategy is rooted in the following five principles:

- ❖ **Inclusive partnerships and good governance through activities that unite different social groups.** Social capital builds when groups work together in ways and for projects that benefit everyone.
- ❖ **Gender equality prioritized in the social inclusion of marginalized groups.** : A potential pitfall of applying a social inclusion lens is that the necessary emphasis on gender equality may be

eroded. When women are not adequately consulted, half of the population's views, needs, and interests are missing – affecting both appropriateness and sustainability.

- ❖ **Cooperation, cohesion, and collective action.** Identify and build upon positive cultural attributes that tend to bring people together to increase “ownership” and sustainability.
- ❖ **Equity for equality.** Policies, projects, and activities will use “equity” considerations as a basis for promoting equality. Inclusive targeting will be used to help “level the playing field” and build capacity to address barriers that prevent individuals from operating as citizens and equals.
- ❖ **Empower on the basis of rights and responsibilities.** While empowerment cannot be imposed from the outside, Sajhedari Bikaas and its implementing partners will support processes that help individuals increase self-confidence, develop self-reliance, and exercise agency as citizens in community-based planning processes, resource allocations, and services delivery.

4.2 INSTITUTIONALIZING GESI

There has been notable progress on GESI in legal frameworks and GON policy provisions and enabling mechanisms, at the international, national, sectoral, and local levels. GESI issues are being institutionalized at the policy level, with improvements in legal frameworks to protect human rights, secure representation of disadvantaged groups, and end discriminatory provisions especially toward women, Madhesh, Adivasi/Janajatis, Dalits, the disabled, and those from remote regions. GESI strategies and policy directives are setting quotas to ensure representation by women and individuals from excluded groups in user groups (UGs), cooperatives, and income-generating initiatives, as well as providing concrete guidance on social mobilization at the village level to better facilitate inclusion. While these currently remain more on paper than in practice, *the very fact that they exist indicates progress.*

In terms of community-led development, the Local Self-Governance Act (1999) and guidelines developed by the MFALD to strengthen GESI implementation offer an excellent foundation for inclusive and representative governance. The LSGA empowers local bodies, emphasizing downward accountability in local development activities – including the devolution of basic services, such as education, health, drinking water, agricultural extension, and rural infrastructure and putting the management of local grants into the hands of local bodies.

This Act gave authority to local bodies to develop local development plans, with the active involvement and participation of local people. Provisions include addressing the needs of the poor and mandating at least 33% representation of women on village and ward-level development committees. DDCs are also forming committees and subcommittees to address the needs of women and the disadvantaged, including representatives from political parties, NGOs, CBOs and CSOs, and other experts.

Unfortunately, the absence of locally elected bodies since 2002 have made these provisions for devolution less meaningful, and in reality there is limited accountability by VDC and DDC Secretaries who are appointed (not elected), and often live in the closest municipality and not in the VDC. But over time there has been improvement in national and local level bodies and institutions designed to mainstream the voices and issues of marginalized groups.

At the district level, DDCs have a social committee with a Social Development Officer, who is also the designated gender focal point for the DDC as a whole. Various watchdog committees have been formed with representation from political parties, such as the Indigenous Ethnic District Coordination Committee and the Dalit Class Upliftment District Coordination Committee. The Gender Mainstreaming Coordination Committee (GMCC), under the WDO and with representation from line agencies, is tasked with monitoring and coordinating district-level gender work. And the GESI Implementation Committee is responsible for informing program planning on gender and inclusion-related issues, auditing programs, and coordinating

GESI-related activities in the district. It is clear however that the performance and impact of these institutions varies from district to district and most have very limited resources and weak institutional mechanisms for enforcement.

4.3 FROM THEORY TO ACTION: ACHIEVING IMPACT

4.3.1 Improving monitoring and evaluation by building a stronger evidence base

Sajhedari Bikaas has a strong internal and external focus on achieving better monitoring and evaluation of results for women, girls and other excluded groups., Our GESI Operational Plan includes dedicated resources for further work in this area.

Internally, we ensure that our results framework outcomes and outputs are capturing intended changes for women and girls, and that indicators and targets are disaggregated - where desirable and possible - by sex and social group. Sajhedari Bikaas will also conduct periodic Gender Equality and Social Inclusion (GESI) Audits that will have a strong focus on disaggregated monitoring. This recognizes that “counting” women and girls is not enough. Our programs need to measure and report on transformational changes, changes in opportunity structures and power relations. In conducting the GESI Audit, we will link closely to our activities that support women’s economic empowerment. Nepal also has a strong need for programs focusing on violence against women and girls. This is an area where the evidence base is weak, and we will invest in better data collection and analysis on issues such as suicide and gender based violence (GBV), sexual harassment and abuse of adolescent girls, attitudes and behaviors of men and boys, service mapping and improved provision, institutional tracking of GBV cases, and legal reform.

For improving the GESI aspects of monitoring information systems within the Ministry of Federal Affairs and Local Development (MFALD) we will also support stronger participatory monitoring methodologies within the local governance sectors, including social audits, public hearings, and the piloting of community scorecards.

4.3.2 Economic Empowerment, Climate Change and Reducing Vulnerability

Increases in female literacy and the emergence of women’s credit and savings and other types of development groups over the last 20 to 30 years have enabled women to extend their roles beyond that of the care economy to other spheres of economic activity. However, current data on the occupational status of women and men reveals that women continue to work mainly as unpaid family labor and/or in the agriculture while men predominate in the higher return, modern sector jobs and migration. Even though women across the board are economically very productive, they do not control productive assets and have limited input into household decision-making. This has been one of the main reasons for their lower levels of empowerment in economic, political and social realms. Women’s limited access to cash, financial services, and to ownership of property are all factors limiting poverty reduction and the advancement of women’s economic rights.

Sajhedari Bikaas will support a dual track approach for economic empowerment: ensuring that all of our programs address the needs of women, as well as implementing targeted interventions for women and girls. Analysis of women’s current economic activity and potential in different areas will underpin program design in our skills, market development, community infrastructure and access to finance programs which will help us set realistic targets for participation and results. For example in sectors where women make up 75% of producers, participation targets (for example a target of 50% participation for women) are too

low. Instead, we will focus on women achieving greater control over resources and greater power over decision-making, supporting them to increase their incomes and their agency. On the other hand, in sectors with large growth potential but few women active, we will address the barriers to women's participation, and set ambitious but realistic targets for participation. We will tailor our approaches and our results based on realistic evidence. Our new programming in the area of financial inclusion will focus on chronically poor areas of the mid and far west, developing innovative approaches for ensuring the inclusion of poorest, with a strong focus on women.

Across Sajhedari Bikaas, we will develop innovative approaches that will strengthen both community resilience and women's empowerment. The climate change and forestry programs we work with at the local level will build on past successful work on inclusive approaches in: empowering women and embedding socially inclusive budgeting in adaptation work. We will also look for ways to support greater female employment in forest-based enterprise; and provide specific support to at least 5,000 women headed households (who are particularly vulnerable to climate change impacts). Disasters increase gender inequality, making bad situations worse for women and girls. Sajhedari Bikaas interventions will seek to increase gender sensitivity and effectiveness in DRR programming through the full and balanced participation of women, men, girls and boys.

4.3.3 Political Inclusion, Local Governance and Violence Against Women and Girls

Women's political participation

Nepal has made much progress since 2006 in the area of political inclusion, with about 33% of the Constituent Assembly (CA) being women, and greater representation of women in public life. With the new formation of the CA this percentage is likely to drop and there is considerable work to ensure that political parties include more women. Sajhedari Bikaas will promote political inclusion for women.

Women in local governance

Women's inclusion in decision-making in local governance remains a challenge. Proportionally, their inclusion is far lower at the local level (around 10%) than at the national level (33%). This meets local governance reservations of one-woman member in each of the VDCs/DDCs but it is clear that these are way below national reservations. Sajhedari Bikaas will support and strengthen local governance by supporting LGCDP who has recently issued guidelines that require at least 35% of untied funds to be spent on projects benefitting women and other excluded groups. This requires all members to consider gender in resource allocation and project design. In many micro grant activities Sajhedari Bikaas will encourage women's participation, setting a benchmark of at least 40%. As a result women will be actively involved in project user groups, giving them decision-making power over non -government resource allocation. This is also intended to provide a stepping stone to women's greater participation e.g. involvement in Community Forestry Group Committees and then local politics.

Violence Against Women and Girls (VAWG)

Worldwide, Gender Based Violence (GBV) is the leading cause of death of women between the ages of 19 and 44 – more than war, cancer, or car accidents. In South Asia, 40 percent to 70 percent of women and girls report experiencing some form of physical, sexual, or emotional abuse, and half of all women face violence in the home. GBV is a global challenge that violates basic human rights and human security. Apart from the individual suffering, it carries high a cost for society and is a major obstacle to development.

Research carried out in 2008 in Surkhet and Dang districts reveals that 81 percent of women face domestic violence frequently. This is a clear indication of the high level of domestic violence prevalent in Nepali

society. Nepali women and girls are vulnerable to both domestic violence and public violence. Domestic violence includes physical abuse (for example, beating, slapping, hair pulling, kicking, burning, beating with a stick, or using a knife) and mental torture (threats, verbal abuse, and neglect) by husbands or other relatives, and also includes early marriage, dowry-related violence, and sexual abuse in the household, polygamy, and marital rape. Forced and early marriage is still a pervasive phenomenon despite the legal age for marriage being 18.

The challenges experienced by women in Nepal are especially severe. Women, particularly widows and women from marginalized communities, are subjected to discrimination and physical, sexual and psychological abuse. In this context, two of the most significant initiatives taken by the government recently to address GBV are the passage of the Domestic Violence Act by the Legislature Parliament in April 2009 and the 2010 Action Plan against GBV including the hotline service and the establishment of a women's desk in the Prime Minister's office, where women can directly send their grievances, complain and appeal against GBV. The biggest challenge the government now faces is the establishment of the needed structures and mechanisms to ensure the effective implementation of both the Domestic Violence Act and the GBV action plan.

Sajhedari Bikaas will work at a strategic level with the GON to ensure the effective implementation of the GBV Action Plan. In parallel it is also critically important for achieving tangible results for women and girls that we move beyond strategic work at the central level. We will, therefore, increase our focus in three areas:

- i. Increasing the access of women and girls to integrated and quality VAWG response services at the district and sub-district level;
- ii. Working with men and, in particular, adolescent boys, to support more positive attitudes and behaviors surrounding VAWG; and
- iii. Supporting civil society and local community based organizations in scaling up successful approaches to eliminating harmful traditional practices.

Overall we will focus on three main areas critical to women's empowerment and the achievement of better outcomes for women and girls: women's political inclusion; women's participation in local governance; and greater security and justice for women and girls, with a particular focus on VAWG.

Sajhedari Bikaas will:

- i. Strengthen representation of women who participate in local level planning and user committees; and support social audits of local government allocation and spending – for example through local government block grants
- ii. Improve police-community relations, particularly between police and citizens from excluded and vulnerable groups
- iii. Establish district wide networks of Paralegal Committees to promote and protect the rights of women, children and excluded groups.
- iv. Pilot innovative approaches to working with men and boys on VAWG and scale up proven approaches
- v. Support the establishment of robust district VAWG response and referral systems

4.4 GENDER AND SOCIAL INCLUSION BUDGET AUDITS

In order to assess and establish the status of GESI in the communities in which Sajhedari works we will

support Gender and Social Inclusion Budget Audits within Local Bodies. Local Bodies (LBs) are the decentralized autonomous institution of Nepal. Their main role is to support the overall development of village, municipality and district and to play an important role in building a prosperous nation. LBs are now required to institutionalize gender mainstreaming by analyzing the needs of women, men, aadibasi janajatis (indigenous nationalities), dalits, and disadvantaged groups living in the village and municipal area. The Tenth Plan and Three Year Interim Plan of Nepal both emphasized the importance of improvements in the health and education status of women, and to increase involvement of women in decision-making process.

The GON developed guidelines to assist LBs to promote gender mainstreaming in periodic and annual plans. This guideline with detailed analysis and review of local body's program will help in formulating plans, and programs and budgets in the field of women empowerment and gender equality and its effective implementation.

The "Local Bodies Gender Budget Audit Guidelines 2008" is formulated to implement a policy to institutionalize a gender responsive budget formulation system. The main objective of gender budget audits is to institutionalize and promote the system of equitable development gender mainstreaming in local bodies and its partner organization's policy and programs.

The following are the specific objectives of gender budget audit system.

- To institutionalize gender mainstreaming in annual and periodic plans of local bodies.
- To incorporate the gender inclusion goal in the structure and plan of action of local bodies.
- To monitor and evaluate the local body's resource mobilization, budget allocation and expenditure, from gender perspective.
- To contribute to Millennium Development Goals and commitment of gender equality through monitoring, evaluation and gender budget audit system.
- To institutionalize gender responsive good governance system.

4.4 HOW THEY WORK

GESI budget audits are meant to do the following:

- **Disaggregate data:** Collect and update disaggregated data of women, men, children, indigenous nationalities, dalits, disabled etc., and document it in the LB's information center.
- **Gender mainstreaming:** Mainstream gender in policy, by-laws, periodic and annual plans of local bodies by promoting equal and active participation of targeted groups. Likewise, mainstream gender in vision, mission, goal, objective and activities of local bodies.
- **Gender responsive capacity building:** Enhance gender responsive capacity building to mainstream and promote equal and active participation of targeted groups in periodic and annual plan of local bodies.
- **Ensuring program and budget:** Ensuring fixed amount of budget for development and promotion of gender equality and equity.
- **Facilitation:** Facilitation about national and international commitment on gender equality and equity to the local body's officials/representatives.

- **Coordination:** Establish a system to prepare action plan and implement women empowerment and mainstreaming program of various organizations at the local level through coordination.
- **Guidance:** To provide guidance by local bodies to various local level organizations and LA's to formulate women empowerment programs and allocate budget.
- **Monitoring and Evaluation:** Make appraisal, monitor and evaluate programs implemented at local level by various organizations on women empowerment and gender responsive activities for women and men from deprived, dalits and indigenous nationalities and disadvantaged groups.
- **Gender budget audit:** Establish a mechanism implemented to access or self evaluate, whether plans are based on the goal of equality and empowerment; and whether or not gender mainstreaming on every aspect of development are ensured.
- **Gender analysis and self-evaluation:** Self evaluate own programs; analyze the program implemented on the basis of geographical location and prepare strategies for forth coming programs.
- **Good governance:** Develop and promote gender responsive good governance procedure.
- **Exchange of experience and learning:** Exchange of experience and lessons learned to the concerned agencies during gender responsive plan formulation and implementation.
- **Documentation:** Collect and update of disaggregated gender data and materials. Document the programs and efforts made by local bodies on gender mainstreaming, learning and achievements, conducted annually and half yearly. Analyze and prepare reports on budget allocation and expenditure based on periodic plan. Exchange of such learning and achievements to stakeholders.

4.5 SUPPORTING GESI POLICY AT THE NATIONAL AND SUB-NATIONAL LEVEL

Sajhedari Bikaas will support Gender policy of local bodies by supporting the following:

- Gender policies that are put into place at the local level as provisioned in long term and short term national plans.
- Implementation of gender related policy as provisioned in the constitution and legal frameworks.
- Local work plans and strategies that seek to eliminate domestic violence against women in the respective jurisdiction.
- Mainstreamed gender responsive programs in periodic and annual plans of LBs and sectoral offices that incorporate long-term vision, mission, goal, objective and activities.

- Support making the bylaws related to personnel administration of local body more gender responsive.
- Support the implementation of the following major rights as declared by CEDAW for elimination of all forms of violence against women:
 - Right against the trafficking and sexual exploitation and prostitution of women;
 - Right to choice in public and political life;
 - Equal right to participate in international forums;
 - Right to nationality;
 - Right to education/employment/health;
 - Right to economic and social benefit;
 - Social right to rural women;
 - Equality in law; and
 - Right to marriage and family.

RESOURCE LINKS FOR GESI INFORMATION

1. [Gender Equality and Social Inclusion Policy](#)

Summary: MFALD and LGCDP GESI Policy for all mainstreaming and integration policy for local development and planning for Nepal.

Language: Nepali and English

2. Information, Education and Communication (IEC) Messages on Children and Women's Rights

Summary: IEC Messages designed specifically for LGCDP on gender equality, social inclusion, and children and women's rights.

Language: Nepali

3. GESI Budgeting and Auditing Guideline

Summary: Information on GESI Budgeting and Auditing got Local Bodies.

Language: Nepali and English

4. GESI Operational Manual

Summary: Information on GESI mainstreaming for local bodies, particularly for WCF, Integrated Planning Committees (IPCs) and GESI implementation committees.

Language: Nepali

5.0 RESOURCE MOBILIZATION AND PLANNING

Resource mobilization refers to the collection and utilization of resources in an organized way to produce results according to the given system of governance. It is based on a flow concept in which the inflow and outflow of resources are the concerns of "who gets what and how much from whom". Basically, the flow of local resources is a fiscal issue of the local government, which focuses on how the local government generates the revenue measured, in monetary units to meet the level of expenditure incurred to provide services for the benefit of local people.

The critical issues of governance in the context of local resource mobilization are: Who controls? Who decides? And how optimally resources are collected and distributed for use. Fiscal decentralization refers to the process of granting autonomy to the local self-government units to mobilize financial resources, which show how much central government cedes fiscal impact to sub-national governments. It is a bottom up planning approach with the aim of ensuring people's participation in planning and accessing these resources.

Considering the eminent role to be played by local institutions to mobilize these resources, Nepal adopted the principle of decentralization from 1960 and various acts and laws were enacted since then to strengthen the efforts. According to the present Local-Self Governance Act (LSGA)-1999, local resources consisting of the grants provided by the central government (matching and non-matching grant), local revenue (tax and non-tax) and loan (internal and external) should be implemented by the respective local bodies. This training will also look at and analyze the present status of revenue collection and expenditure practices as well as its scope and challenges for Village Development Committees (VDCs) and District Development Committees (DDCs).

5.1 RESOURCE PLANNING AND DECENTRALIZATION

Nepal is a country rich in diverse resources such as assets of geography (Hill, Mountain, Terai), social and cultural capital, natural resources (forest, water, mines etc.) and human capabilities as well. The central planning authority, the National Planning Commission (NPC) has practiced a "top down" planning approach since its inception in 1957. After the tenth plan period, Nepal adopted a participatory or relatively "bottom up approach". However, since 1960 Nepal has adopted the principle of decentralization as a means of governance by forming local government and publishing a decentralization plan in 1965 with a fundamental goal of mobilizing local resources for economic development.

"Resources" and "mobilization" are like two sides of the same coin where one cannot possess value without the other. Resource mobilization is a flow concept which is concerned with "who gets what and how much from whom", which is mostly determined by the governance system and institutions responsible to implement the scheme for mobilization of the resource. There may be various resource mobilization systems of governance and mobilizing institutions like the central government, local government, private organizations and others.

In a democratic society, decentralization is considered a tool to develop local government, which acts as an intermediary between national level policies and the impact of these policies in local communities. Decentralization acts in three dimensions: fiscal, administrative and political. Fiscal decentralization refers to the process of granting autonomy to the local self-government to mobilize financial resources. It also signifies how much central government cedes fiscal impact to sub-national governments, such as local bodies in the context of Nepal.

There are four key elements of fiscal decentralization usually called "four pillars" or "building blocks" of fiscal decentralization. They are (1) expenditure responsibilities, (2) revenue assignment, (3) inter-governmental fiscal transfer and (4) sub-national borrowing (*borrowing authority only for pre-specified objectives*). It is a process of devolving fiscal decision-making power and management responsibilities to the local government. The process or governmental system assumes that local governments have a certain degree of fiscal discretion and autonomy in resource planning and its mobilization.

5.1.1 LOCAL GOVERNMENT AND RESOURCE MOBILIZATION

The system of governance is an important aspect in this process as it seeks to steer collection and utilization of resources in an efficient and effective manner. It is characterized by participation, rule of law, transparency, responsiveness, equity, accountability, effectiveness, efficiency and strategic vision. The critical issues of governance in the context of local resource mobilization are: Who controls? Who decides? And, how optimally resources are collected and distribute to use?

Local government is an important institution in mobilizing effectively local resources. In Nepal, local communities and local government units carry out roles in mobilizing resources for development. Local resource mobilization is a fiscal issue determined by the degree of fiscal decentralization, a governance system allows. In Nepal how local government units mobilize, generate and measure revenue from resources at the local level is both an empowerment issue and a conflict issue. As resources generate revenue and benefit, the way local government units and communities manage this relationship is critical both for inclusion, but also to resolve and prevent conflicts over access to these resources that are often critical for economic growth at the national and local level.

Currently, District Development Committees (DDCs) are functioning as an umbrella organization of Village Development Committees (VDCs) and Municipalities considered an important government structure for resource mobilization in Nepal. For these institutions to be functional, the LSGA-1999 was enacted with financial provisions, devolving fiscal autonomy with jurisdiction power and functions, which has enhanced the scope of these local institutions to identify and determine the resource base and selection of projects to mobilize local resources through people's participation. According to this act, local resources consist of the grants provided by the central government (matching and non-matching grants), local revenue (tax and non-tax) and loans (internal and external). Local fiscal structure comprises local revenue and expenditure as reflected in the local budget, adopted and executed in accordance with the local government act. An amount of such resource collection and its mobilization practices and performance can play an important role for the economic development of the country, and especially for economic growth in poor, remote and isolated communities.

Local government in Nepal is a representative body, representing a particular set of local views, conditions, needs and problems, depending on the characteristics of population and the economic elements. The local government may have various revenue sources that are both internal and external. The internal revenue sources determine the extent and limit of financial independence of the local government unit. The internal revenue consists of tax and non-tax sources, many of which come from local resource mobilization. Tax is an important source of local resources. The tax theory in Nepal is divided into ability

to pay and benefit principles. The benefit principle of taxation is suitable for local taxation whereas ability to pay principle is suitable for central government taxation. But, in developing countries, like Nepal, in general, there are only a few available tax bases so collection and enforcement at the local and national level is weak.

5.2 LOCAL PLANNING AND RESOURCE MOBILIZATION

In Nepal, there is a two-tier system of development planning i.e. a Central Level Planning system and a Decentralized or Local Level Planning system. Local Level Planning includes district, village and municipal level planning. In the context of local resource mobilization, Nepal has initiated the principle of fiscal decentralization, as a strategy, implementing a participatory governance approach involving multi-stakeholders in the planning process. For this process, the National Planning Commission (NPC) provides the budget estimates (ceiling) to the local government. The development planning system in Nepal is, therefore, a complex power relationship between centralized and decentralized actors.

The National Development Council (NDC) is an apex central planning authority under the chair of Prime Minister, and NPC is exclusively an advisory body for formulating development plans and policies under the directives of the NDC. The National Development Council (NDC) is the highest policy-level body. Formerly chaired by the King of Nepal, the Council is now chaired by the Prime Minister. Its mandate includes providing guidance on major policy issues and periodic plans. The membership of NDC comprises all Cabinet rank ministers, all the members of the National Planning Commission (NPC), the chairpersons of the various parliamentary committees, the chairpersons of two District Development Committees from each of the five development regions of the country, the leader of the main opposition party in the House of Representatives, the chairpersons of all national level political parties, the president of the Federation of Nepal Chambers of Commerce and Industry, and a few persons nominated from among intellectuals and representatives of other walks of life. NPC serves as the NDC secretariat.

NPC, as a central planning authority, formulates national development plans with the help of line ministries and development projects, and facilitates the local bodies in the planning process and implementation by linking local level plans with national level plans. NPC is, therefore, responsible for balancing, verifying and coordinating with local bodies and line ministries to mobilize the local resources including the planning process, whereas local planning authority has authority to identify and select the projects to implement themselves and to refer upper level institutions. The involvement of central planning authority and local authority in the planning process based on NPC's and LSGA's planning process is constructed in Figure 4.

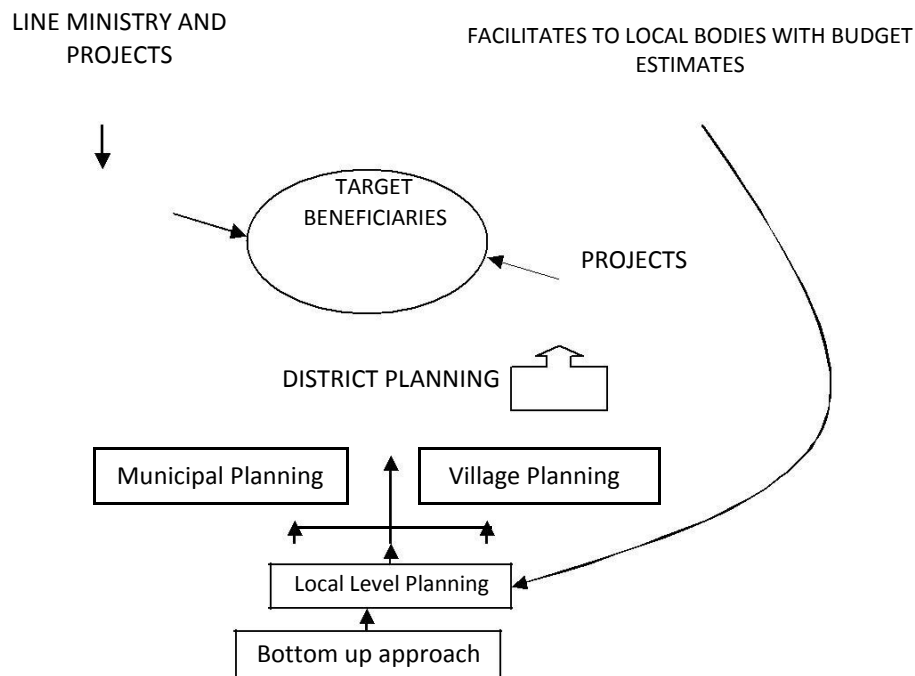
5.3 LOCAL RESOURCE MOBILIZATION PRACTICES IN NEPAL

The government of Nepal has practiced different forms of decentralization ranging from delegation, de-concentration and devolution of authority (MLD, 2006:8). In the Panchayat (non-party system of government) period, various laws were enacted including financial regulation. Several Acts and Laws were passed such as, the Panchayat Act 1962, District Panchayat Act 1962, Local Administration Arrangements Act 1966, Decentralization Act 1979, etc. The working approaches of these laws were characterized primarily as a top down approach to resource management. Generally, in the context of financial regulation, the central government mobilized almost all of the resources through the district office line ministries.

After the restoration of democracy in 1990, three laws were enacted with regard to local bodies; the

Village Development Committee Act 1992, Municipality Act 1992, and District Development Committee Act 1992. Due to contradictions and conflicts between the central and local governments as well as between local governments (DDC and VDC) with regards to power and sharing of resources and in duplication of role and responsibilities, the government of Nepal enacted the “Local Self-Governance Act-1999” and "Financial Regulations of 2000" by integrating the three Acts mentioned above. The major aim of present financial regulations is to clarify the functions, duties and responsibilities of the local bodies to collect and mobilize resources and making them accountable and responsible.

FIGURE 4, CENTRAL AND LOCAL LEVEL PLANNING



5.3.1 Power and Revenue Source, DDC level

In Nepal, according to the LSGA-1999, internal sources of revenue of DDC are taxes, service charge, fees and sales. The sources of tax revenue of local bodies are categorized by fixing the tax rate (for herbs, by product, forest based and mine based, license and so on), limiting (maximum and minimum rates) the tax rate (such as for natural resources and recommendation fee) and providing the authority for VDC councils to determine the tax rate (such as unrestricted animal bones and horn exports, guest houses, library, inns, etc to DDCs and service charge to VDCs). DDC can also earn income from natural jurisdiction such as from the sale of sand, stone, and wood drifting on rivers. In practice, the sample table (Table 1) shows the internal revenue position of two sample DDCs.

Table 1, Sample Resource Tables, 2009-2010

SN	Particulars	Internal Revenue of Districts		Remarks
		Kathmandu	Gorkha	
1	Sand and Stone	12,288,693	87,270*	*Slate stone
2	Kabadi goods	8,500,000	231,102	
3	Bone, Skin and Feathers	1,782,735	99,400*	*Agri-Income

4	Licensing and renew	1,237,000	112,500	
5	Application and Examination	51,765	24,540	
6	Certificate of Mine Operation	183,066	41,450*	*water resource
7	Recommendation Fee	627,700	19,500	
8	Sand and Stone Selling	269,034	63,555	
9	Fine	157,500	25,000	
10	Mine Royalty Charge	380,601		
11	Land tax from VDC/Metro.	1,082,454.71	56,687.81	
12	Rent	1,365,385	9,000	
13	Deposit seized and Return	50,552	373,140.34*	*Sadarsyaha
14	Returns of Advances	500,000		
15	Dues Receipt	24,901		
16	Tender Form	1,336,425	96,200	
17	Herbs		64,437	
18	Accountancy Charge		4,300	
19	Export Goods		22,951	
20	Book Selling		8,300	
21	Road Charge		116,800	
22	Cable Car Fee		1,069,371.54	
23	Gorakhkali Rubber Factory		0	
24	Contingency		1,415,599.50	
	Grand Total	29,837,811.71	3,941,104.19	
	Population	29,837,811.7	3,941,104	
	Per capita	27.58	13.67	

The above table shows that resource base varies between these two districts. In practice, Kathmandu district has identified 16 internal revenue sources whereas Gorkha district has identified 21 sources. Kathmandu district has not collected the revenue from herbs, accountancy charge, export goods, book selling, road charge, and other industrial sectors as collected by Gorkha. However, total revenue collection from those sources in Gorkha is less than that of Kathmandu. In terms of per capita local resource generation, per capita of Kathmandu district is RS 27.58 more double the revenue base of Gorkha district at RS 13.67.

5.3.2 Power and Revenue Source, VDC level

The VDCs in Nepal are excessively dependent on external resources. The provision for internal resources base, according to the present LSGA and its financial Regulation, and mobilization practices is explained below.

Table 2 Sample VDC Resource Base, Per LSGA, Syuchatar VDC

Resource	Financial resource base
Tax	House and land, land tax, haat bazaar, vehicle, entertainment, bahal bitauri (rent), advertisement, professional, commercial video, natural resource utilization and others
Service Charge	Sanitation, tourist site entrance, park, garden, view tower, entertainment (like music, circus etc.), for recovering dues for others
Fee	Television, video and other equipment license fee, approval fee, recommendation fee
Sales	Soil from fallow govt. land, product from public pond, VDC property, dry wood, fire wood, branches, roots, khar grass

Loan	Loans from bank or other institution with approval from council, with or without collateral and on government guarantee
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The above table shows the VDC's financial revenue base according to LSGA, 1999 and financial regulation in which the rate and range of rate for different sources is determined. Syuchatar VDC lies in the western part of the Kathmandu district and linked with Kathmandu metropolitan city. The local resource mobilization position of the VDC is given in the following table, which was taken from the VDC's records. A Sample (Table 3) of the income and expenditure practices of Syuchatar VDC is as follows:

Table 3, Description of Income and Expenditure, Syuchatar VDC, FY 2064/65

SN	Income Statement	Rs. In NPR	Expenditure Statement	Rs. NPR
1	Government Grant	980,000 (37.33)	Salary	287,056 (10.84)
2	Recommendation Fee	597,688 (22.76)	Meeting Allowances	32,720 (1.24)
3	Land Tax	139,889 (5.33)	Economic Assistance	35,300 (1.33)
4	House and Land Tax	5,000 (0.19)	Service Sector	79,674 (3.00)
5	DDC Grant	842,000 (32.07)	Miscellaneous	50,853 (1.92)
6	Others (Tel, Electric)	61,000 (2.32)	Total Capital Expenditure	2,162,444 (81.67)
7	Total	2,625,577 (100)	Total	2,648,047 (100)

(Figures in parentheses is in percentages)

The above table shows that 69.4 percent of the VDC's sources of revenue are grant provided by the central government (37.34%) and DDC (32.07%). The internal income sources of VDC are recommendation fee 22.76 percent (Rs. 597688.000), land tax 5.33 percent (Rs. 139889.00), negligible percent of house and land tax (Rs. 5000.00) and others 2.32 percent (Rs. 61000.00) such as electricity office, telecommunication office etc. This shows that the resource base has not been properly implemented by the VDC in practice according to LSGA. This indicates the inefficiency of the VDC to collect revenue from the internal sources.

Below is another example of VDC revenue and expenditure; Bungkot VDC lies in the eastern part of Gorkha district nearly 10 km. from the district headquarter. The income and expenditure status of Bungkot VDC during 2064/65 is given in the following table (Table 4). The below table shows that 97.39 percent VDC's sources of revenue are from the central government's grant. The internal income sources of VDC are recommendation fee 0.70 percent (Rs. 7075.000), land tax 0.45 percent (Rs. 4528.00). This shows that the resource base, which is given in Table 4, has not been properly implemented by the VDC.

Table 4, Description of Income and Expenditure, Bungkot VDC, FY 2064/65

SN	Income Statement	Rs. In NPR	Expenditure Statement	Rs. NPR
1	Last Year Saving	14,700 (1.46)	Electrification	791,000 (75)
2	Government Grant	980,000 (97.39)	Dalit Promotion	22,000 (2.09)
3	Recommendation Fee	7,075 (0.70)	Women Development	54,000 (5.12)
4	Land Tax	4,528 (0.45)	Health Post Development	13,000 (1.23)
5			HRD for School Teacher	94,000(8.92)
6			Economic Support	17,900 (1.70)
7			Miscellaneous (Administration)	62,403 (5.92)
	Total	1,006,303	Total	1,054,303

5.3.3 Inter Governmental Fiscal Transfer

Inter Governmental Fiscal Transfer is the heart of sub-national finance and in Nepal is known as a block grant, conditional grant and royalty. It has a relationship with allocation efficiency, distributional equity, macro economic stability, and political sustainability as a sharing of revenue. The revenue sharing practices of Kathmandu and Gorkha districts are explained in the following table (Table 5).

Table 5, Description of Revenue Allocation from the Center, FY 2064/65

SN	Area	Kathmandu	Gorkha
1	Registration fee of land and land tax	97,913,676.10	4,448,300
2	Royalties of electricity	3,807,041.80	10,389,660.30
3	Royalties of forest	---	82,602.50
4	Royalties of tourism	---	3,348,008.40
5	Royalties of mine	---	19,999.61
		101,720,717.9	18,288,570.81

The above table shows that the share of registration fees for land and land tax is higher (Rs. 97,913,676.10) in Kathmandu district in comparison with Gorkha (Rs. 4,448,300.00) where royalties of electricity is higher because of the share taken from Marshyangdi Hydroelectricity Project in Gorkha. The royalties from forest, tourism, and mine has not been collected as revenue by Kathmandu district.

5.4 EXPENDITURE ASSIGNMENT

Expenditure is all cash outlays made by a given level of government. A larger proportion of the expenditure by local government indicates decentralized fiscal impact. Expenditure assignment is a fundamental step in the design of fiscal decentralization. It specifies the functions and expenditure responsibilities for each level of government, central as well as local.

Deciding who will do what is the essence of expenditure assignment. The given assignments to the DDC and VDC in Nepal as spelled out in the LSGA- 1999. The functions related to DDCs are agriculture, rural drinking water, hydro electricity, agriculture road and transport, land reform and land management, women and children, forest and environment, education and sports, wage for labor, irrigation, soil erosion and river control, information and communications, language and culture, cottage industry, health service, tourism, miscellaneous. However, there is a great deal of ambiguity among the various levels of local and sub-national government. The following table 6 shows the income and expenditure of the DDC fund for Kathmandu, FY 2064/65.

Table 6, Expenditure Table, Kathmandu DDC FY 2064/65

SN	Program	Real Income	Real Expenditure	Remarks
A	DDCs Internal Source	131559 (25.17)	117189 (23.98)	
B	Nepal's Govt. Grant	391055 (74.83)	371383 (76.02)	
1	Agriculture and Rural Road	30735	28216	
2	Rural Road Maintenance Fund	1450	1450	
3	Public Development Grant	19200	2676	
4	Suspension Bridge Works	2700	2525	

5	Constituency Development	16200	16200	
6	Rural Drinking Water and Sanitation	7120	6666	
7	DDC Grant	13527	13527	
8	Social Security	16905	16905	
9	VDC Grant	57000	57000	
10	Agriculture Communication	7410	7410	
11	Primary Education	211117	211117	
12	Livestock Service	7691	7691	
	Grant Total	522614	488572	

The table above shows that internal source of income is 25.17 percent (Rs. 131,559,000.00) of the total DDC's budget, which is nominal in comparison with the central government's grant. On the expenditure side, the DDC's real expenditure was too low in comparison to the total revenue within the fiscal year, which indicates the poor resource mobilization practices in district.

5.5 LOCAL RESOURCE MOBILIZATION CHALLENGES

Central resources have been increased to local bodies significantly, especially in the VDC, from Rs. 50 to Rs. 300 to Rs. 500 to Rs. 1000 thousands, which has added a new dimension in the domain of decentralization. The absorptive capacity of local government, combined with political and transition issues has made planning skills and budgeting acumen weak at the sub-national and national level. Resource mobilization is a challenging task for the economic development of any country. It depends heavily on transparent and accountable systems of governance, rule of law, and efficiency of authorities.

For example the LSGA-1999 has given the responsibility of protecting and utilizing fallow land to the local bodies, but it has not transferred the ownership. This provision has created many contradictions across the country in land use, and abuse of the land use planning system. The consequence becomes more problematic because some VDCs have been selling land, without authority and planning. Another example is taxation; having provided the power to the local bodies to collect land and housing tax, the amount of tax collection decreased from Rs. 70 million in 1995 to 29.6 million in 2000 (LAFCR, 2000:63). Even those these rates have increased there is still a lag from the rates collected from 1995 at the local level.

There is a tax overlap horizontally, especially with regard to natural resources such as sand, stone and gravel, and vertically, between the central government and local bodies, in the case of the vehicle tax. This has led to conflict between local government units as well as central government and local bodies. Local bodies have little flexibility in fixing the tax rate. The rate of land tax is nominal, but the VDC does not have the authority to increase the tax rate. It is a mere transfer of power, without organizational capacity and authority.

Internal sources of revenue and expenditure capacity of the local bodies may differ from VDC to VDC and between one DDC and another, which leads to horizontal fiscal imbalance. In this context, to deal individually with the local bodies is a difficult task unless one is well versed in the principles of decentralization, public planning and resource mobilization..

Many VDCs do not have their own buildings because of damage-sustained building during the period of the Maoist revolution. At present, most of the VDCs do not have their own office building. Despite infrastructure improvements and larger block grants these buildings have largely not been rebuilt, leaving no real center at the local level for realistic governance services. In addition politicization in all aspects of decision-making is a challenging issue for local bodies, which has also affected local resource mobilization.

Resources diverted and/or delayed disbursement because of political as well as administrative pressures is a great challenge to effective resource mobilization.

LGCDP AND MFALD RESOURCES

1. Local Level Resource Planning and Management
Summary: User-friendly guideline on VDC Resource Planning and Management systems based on the Local Self Governance Regulations (LSGR), 2056.
Language: Nepali
2. [VDC Planning and Budgeting Guideline](#), Released June 2011
Summary: User-friendly guideline on VDC planning and budgeting systems based on the Local Self Governance Regulations (LSGR), 2056.
Language: Nepali
3. [VDC Planning And Budgeting TOT Manual](#) , Released June 2011
Summary: Training guidelines for local associations working on VDC planning and budgeting with VDCs.
Language: Nepali
4. [VDC Grant Mobilization Guideline](#)
Summary: Budget information on annual granting process to VDC.
Language: Nepali
5. [Public Hearing Guidance](#)
Summary: Guidance on conducting Public Hearings at the local level.
Language: Nepali
6. [Public Audit Guidance](#)
Summary: Guidance on conducting Public Audits at the local level.
Language: Nepali

6.0 IMPLEMENTING ACCESS

6.1 SAJHEDARI BIKAAS'S COMMUNITY MOBILIZATION MODEL

The Ministry of Federal Affairs and Local Development (MFALD) has initiated a national program on Local Governance and Community Development (LGCDP) supported by fifteen donors. The LGCDP strategic goal is 'the promotion of inclusive local democracy, through local community-led development that enables the *active engagement of citizens* from all sections of society' (LGCDP, 2008:16). 'Community-led' development is defined 'as an approach where citizens and communities either individually or collectively, as active partners in the local governance process, prioritize, implement or fulfill their basic needs through collective action'. Sajhedari Bikaas will support MFALD and the GON by adhering to guidelines developed for LDGCP on Social Mobilization as well as for User Groups at the VDC level in supporting Community Contracting and specifically the PBC, the PSC, and the PMC.

Social mobilization is the process through which the critical link between citizen demand and state response is developed. Social mobilization will be a big part of the tasks and roles of our DNGO partners. LGCDP has Social Mobilizers at the District and VDC level and we will expect our DNGO staff to support best practices in social mobilization by supporting the guidance of the GON. We will want staff who are able to amplify the voices of the most marginalized and create space in public planning and access to decision making systems at the local level.

Moving from social mobilization to citizen engagement requires a set of different processes and understandings from those routinely used to establish groups for service delivery, savings and credit and other sectoral inputs. It requires flexibility, compassion and understanding of the local context of each VDC and requires someone from the community who knows the norms and rules.

Strong and effective social mobilization supports and facilitates the following:

- Strengthening local voice.
- Increasing extent to which local groups and communities participate actively in decision-making and hold local governments & service delivery agencies to account.
- Ensuring social inclusion to enable marginalized/disadvantaged citizens to participate.
- Addressing the structural causes of inequality – changes in formal rules & transformation in people's attitudes and behaviors – requiring targeted mobilization (poor and non-poor).

But for real transformational or structural change to deliver the Sajhedari Bikaas outcomes, DNGO and Sajhedari staff and stakeholders will need to create access for community members, and also support them in developing their own approaches for mobilization. By following best practices from LGCDP and from other program approaches and sharing these with community members we may over the course of this project see evidence of change in the voice and capability of marginalized groups.

Some lessons learned from past Social Mobilization Programs in Nepal include:

- Importance of **transformational approaches** to citizen mobilization
- **Disadvantaged household identification**; community-based process creates good ownership, but there are many contradictory and conflicting indicators leading to mis-targeting, confusion and suspicion
- **Extreme poor** are left out or self-exclude from almost all mobilization processes
- There are few **graduation mechanisms** to support movement of extreme poor and excluded into mainstream development opportunities
- Few program **link citizens/groups with local body processes**; group processes are generally isolated and parallel and are failing to support the development of citizen-state relationships.

6.2 WHO IS EXCLUDED AT THE LOCAL LEVEL?

In every District and Village communities and Local Government Units all face different types of issues. Although the policies are meant to be implemented uniformly across the sub-national units of government Nepal is full of diversity. Nepal is a country of minorities, with 125 different caste/ethnic groups and 11 different religious groups who speak 123 languages (Central Bureau of Statistics, 2011). No single group is a majority, but certain groups (mainly high-caste Middle Hill Hindus) have dominated the country – socially, economically, and politically throughout much of Nepal’s history. Five excluded groups are about 40% of Nepal’s total population; namely, Maggar, Tharu, Muslims, Tamangs, and Dalits. All of these historically disadvantaged groups have high population concentrations in the six Sajhedari Bikaas districts – especially, Tharus, Dalits, and Muslims.

Social exclusion in Nepal has multiple and overlapping dimensions. Discrimination occurs on the basis of caste, gender, ethnicity, race, religion, language, sexual orientation, age, disability, HIV status, migrant status, and/or geography. For example, the family or household may be the most problematic arena for a rural woman, further compounded by her caste, religion, ethnic group, age and position within the family (especially if she is widowed or disabled). Similarly, men are confronted with discrimination when of a “low” caste, from an Adivasi/Janajati group, or a believer in a religion other than Hinduism.

For Adivasi/Janajatis, interactions with the “state” may be most disempowering (including interactions with government bureaucrats in the DDC, VDC, and line agencies). Dalits experience social exclusion most acutely within the local community, because this is where caste-based discrimination is most likely to be strictly imposed. They are also often discriminated against within local power structures and in terms of services delivery. Though changes are starting to occur, especially among and between youth, belonging to a “lower” caste can restrict access to education, healthcare, economic opportunities, and justice, especially in the Terai where caste-based segregation tends to be more strictly enforced with reprisals and violence.

Language is another barrier. According to the 2011 census, only about 45% of Nepal’s population speaks Nepali as a mother tongue. This is true particularly across the Terai belt where large portions of the population speak Maithili, Bhojpuri, Tharu, Abadhi and Hindi and other languages. After Nepali, the top three mother tongue languages in Nepal are Maithili (11.7%), Bhojpuri (6%), and Tharu (5.8%); Urdu is the

tenth most spoken mother tongue at 2.6%.⁸ Given these numbers and the districts where Sajhedari Bikaas will be working, the project should be prepared to translate whatever written materials it produces into multiple local languages, to facilitate communication, shared understandings, and full comprehension.

Caste distinctions are common in all Hindu cultures, and strongly linked with beliefs about purity, “pollution,” and one’s destiny or place within society – past, present, and future. Historically, castes were divided into *Varnas* based largely on occupations or a division of labor. Discrimination based on caste was made illegal in a revised 1963 Country Code, but it is still practiced particularly among the older generation. Although there are always intra-group differences and exceptions, Middle Hill Brahmins and Chhetris, Madheshis Brahmins and Rajputs, Newars, and certain ethnic groups (e.g., Thakali and Gurungs) tend to do better socio-economically than other castes and ethnic groups in Nepal. The groups that have been excluded traditionally and, generally speaking, still have lower economic, education, and health outcomes are: (1) Dalit communities (both Hill and Madheshi); (2) Adivasi/Janajati communities (both Hill and Terai); (3) Muslims; (4) Madheshi “Other Caste” communities; and (5) all women (with women from the above four groups experiencing multiple exclusions).⁹ (SIAG: April 2008).

6.3 IMPLEMENTING COMMUNITY MOBILIZATION

The DNGO will need to hire at the VDC level Community Facilitators (CF)s with strong skills in ‘social mobilization’. The primary function of CFs will be strengthening local voice and increasing the extent to which local groups and communities can participate actively in the decision making on the use of the block grants and hold their local governments and service delivery agencies to account. Effective social mobilization will ensure social inclusion and address the structural causes of inequalities (e.g. class, caste and ethnicity, gender and generation) and exclusion.

Below are some essential skills and areas that DNGOs will need to take into account when staffing for Sajhedari Bikaas:

Coordinators, Technical Staff and Supervisors	
Necessary Core Competencies	
<ul style="list-style-type: none"> • Community mobilization skills • Good report with community members and LG officials • Clear and common understanding on the concept of gender and social inclusion • Clear knowledge of MFALD Planning Process • Knowledge of fundamental rights 	<ul style="list-style-type: none"> • Knowledge of VDC grant operational manual • Skills for formation and mobilization of citizen forums (WCFs and VCFs) • Supervision and monitoring • Skills in conducting public audit and public hearing • Knowledge of government policy provisions for VDC and DDC planning • Staff mobilization skills

⁸ UNFPA (2013) “Major Highlights of National Report on 2011 Population and Housing Census.” Powerpoint presentation to Social Inclusion Action Group (SIAG), 10 January 2013.

⁹ For a further elaboration on this, including a classification of disadvantaged and non-disadvantaged caste, ethnic, and “other” groups based on the 100 identify groups from the 2001 Census, see Chart 1, page 4 “Workforce Diversity in International Agencies in Nepal” (SIAG: April 2008).

<ul style="list-style-type: none"> • Knowledge of LSGA, good governance, including transparency, anti-corruption and accountability • Project design and implementation skills • Report writing skills • Facilitation and Communication skills • Basic Mediation skills 	<ul style="list-style-type: none"> • Account keeping skills • Knowledge of good governance, including transparency, anti-corruption and accountability <p>Qualities required - patience, ethnic and religious tolerance, conflict sensitivity, clear communication, attention to detail, vision and community mobilization and facilitation skills</p>
Social Mobilizers and/or Community Facilitators	
Necessary Core Competencies	
<ul style="list-style-type: none"> • Community mobilization skills • Good report with community members and LG officials • Clear and common understanding on the concept of gender and social inclusion • Clear knowledge of MFALD Planning Process • Knowledge of fundamental rights • Knowledge of LSGA, good governance, including transparency, anti-corruption and accountability • Project design and implementation skills • Good communication skills • Public hearing skills • Public audit skills • Basic technical knowledge on physical infrastructure construction • Reporting skills on both social and physical infrastructure 	<ul style="list-style-type: none"> • Facilitation skills • Account keeping skills • Knowledge of appreciative inquiry • Training of trainers skills, REFLECT Training experience • Coordination skills • Knowledge of government policy provisions for VDC and DDC planning • Knowledge of User Committee and PMC Monitoring and Mobilization • Conflict Sensitivity • Ethnic and Religious Tolerance • Knowledge of Community Driven Development and Planning • Knowledge of monitoring and evaluation
Technical Capacity Development (TCD) Training Year One: 26 days (208 hours)	<ul style="list-style-type: none"> • Basic Access Course: 5 Days (40 hours) • Community Contracting and GUC: 5 days (40 Hours) • Technical Workshops: 12 days over one year (96 Hours) • Refresher Training: 4 Days Annually - 1 day per quarter, (32 Hours)
<ul style="list-style-type: none"> • Understanding on Ward Citizen Forum, public audit and public hearing • Understanding about LSGA and VDC/DDC grant operational manuals • Understanding of MFALD 14 point planning process • Basic account keeping for DNGOs, to include GUC and Community Contracting Training • Manual preparation skills for VDCs (government policy provisions, Sajhedari Bikaas policy provisions) • Facilitation skills (conduct training/meeting, options to sort out problems, how to deal negative issues) • Supervision and monitoring skills (areas to be taken into consideration during the construction of physical infrastructure, monitoring of hardware and software programs, areas of improvement) • Coordination and communication (among NGOs, technical persons and SMs) • Mobilization of Social Mobilizers and/or Community Facilitators • Setting of objectives and indicators; measurement of outputs and outcomes • Basic understanding on gender and social inclusion • Progress reporting skills <p>Basic understanding on technical aspects of social development and community infrastructure</p>	

Based on lessons learned we have also compiled some resource needs for DNGO staff that reflect some of the anticipated learning and service gaps that will need to be taken into account at the local level to ensure accountability and inclusion in decision making.

Accountability Functions	
Suggestions from Guidelines and GON Policy Frameworks	
Public Audit	
<ul style="list-style-type: none"> • Conduct public audit by inviting maximum number of stakeholders (households, skilled, semi-skilled, unskilled labors, other relevant organizations, etc.) • Prepare checklist of process for public audit • Present income and expenditure statement incurred for the particular project in a simple format using chart papers • Create conducive environment to avoid personal confrontation • Prepare all records and put them on the notice board for wide dissemination • Prepare report on public audit • Make PMC responsible towards community • Inform all concerned stakeholders about public audit well in advance 	
Public Hearing	
<ul style="list-style-type: none"> • Inform target beneficiaries, excluded groups and other stakeholders about public hearing well in advance • Fix the date, time and venue for public hearing as per their convenience • Prepare frame/checklist of process to be followed • Prepare code of conduct and inform all stakeholders during the meeting • Assign clear roles and responsibilities of those who are involved in the facilitation process • Arrange required materials for public hearing • Create conducive environment for people to speak • Respond positively to peoples' questions with sufficient evidence • Prepare report by incorporating all the response, read out it in the mass and seek consensus • Prepare the report format beforehand • Make efforts to solve the problems that were raised by the concerned stakeholders by preparing plan of action 	
Ward Citizen Forum and Project Beneficiary Committee (PBC) or Village Citizen Forum	
<u>Ward Citizen Forum (Scope, role and responsibilities)</u> <ul style="list-style-type: none"> • Inclusive Citizen Forum • Mobilize citizen forum in the VDC level annual planning process • Mobilize citizen forum in the process of forming PMC and monitoring committee • Support public hearing process • Provide orientation on VDC grant operational manual, social security operational manual, VDC topping up grant operational manual, LSGA related with project planning and management, health facility management committee guidelines, school management committee guidelines, Gender Equality and Social Inclusion (GESI) concept etc. • Orient about their roles and responsibilities on a regular basis • Encourage them to organize regular meetings • Support and facilitate VDC in the course of project implementation and play a role of 'watch dog' • Facilitate and mediate to maintain harmony in the community • Play an effective coordinating role between local government and citizens 	
<u>Form Project Beneficiary Committee or use Village Citizen Forum</u> <ul style="list-style-type: none"> • Form PBC or use village citizen forum (total of 18 members) represented by each ward citizen forum as follows: <ul style="list-style-type: none"> - One woman and one man from each ward • Support and participate in village development plan • VDC needs to own the forum if it is possible use existing structures such as CAC or VCF. Include members of CBDRM group if there is one. 	

Project Management Committee (PMC) or User Group

- Form an inclusive PMC through a mass meeting as follows:
 - At least 33% women
 - Compulsory provision for women in the position of chairperson or Secretary or Treasurer
 - APM members should not be the member of PMC
 - Form PMC to be inclusive of wards
 - Form PMC with consensus by all
- Conduct following training/orientation to the members of PMC:
 - Roles and responsibilities of PMC
 - Monitoring and evaluation
 - Account keeping
 - Public/social audit
 - Progress report preparation
 - Agreement procedures
 - Basic technical information related to community development project management and oversight
- Provide project agreement paper with design and estimate to PMC
- Involve community to witness PMC signing of contract
- Need to establish good relationship among PMC, community, NGOs, local bodies and other stakeholders
- Public audit needs to be conducted prior to the start of project implementation
- Implement projects as per plan of action based on the rules, norms of donors or other concerned organizations
- Use different means to make the projects transparent to all

Resource Links for Social Mobilization

1. [LGCDP Policy and Guidelines](#)

Summary: Includes all Policy and Guidelines for GESI as well as Social Inclusion Information from MFALD and LGCDPP.

Language: Nepali and English

2. [Social Mobilization Guidelines](#)

Summary: LGCDP guidance on social mobilization guidance for Local Bodies and Implementers.

Language: Nepali

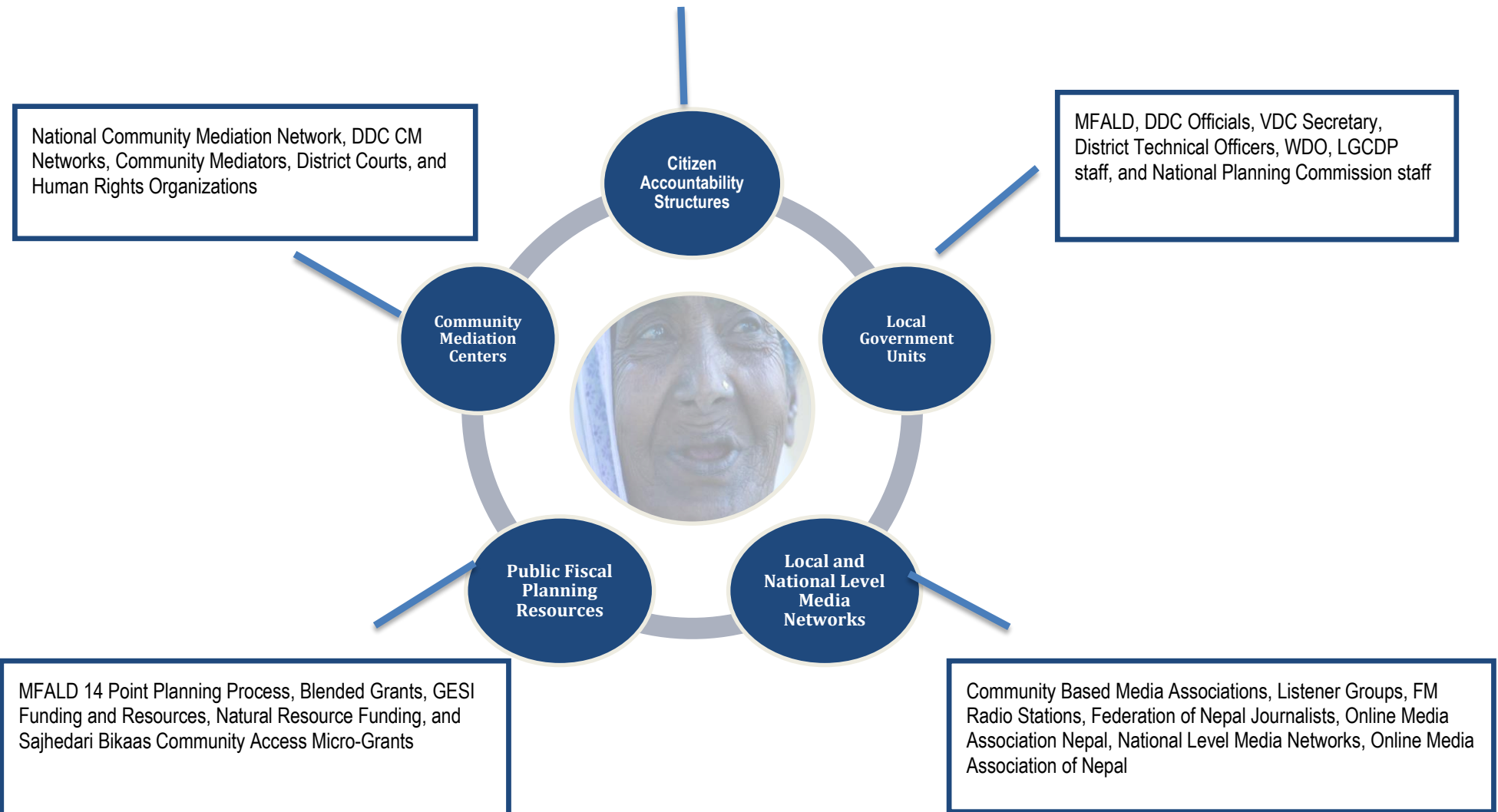
3. Social Mobilization Operational Manual for VDCs, July 2011

Summary: Operational guidance for VDCs.

Language: Nepali

Figure 5 Sajhedari Bikaas Community Mobilization Model

Ward Citizen Forum (WCFs), Citizen Awareness Centers (CACs), Women's Economic Groups (WEGs), Youth Empowerment Groups (YEG), Forest User Groups (FUGs), Community Based Disaster Risk Management Groups (CBDRMs), and Local CBOs, Cooperatives and Associations, Human Rights Associations, and GESI Networks



7.0 CDPS AND COMMUNITY CONTRACTING

7.1 WHY USE COMMUNITY CONTRACTING?

Community-based development is an umbrella term for projects that actively include beneficiaries in their decision-making. Such projects strengthen the capacity of the community, giving them greater agency to articulate their needs and the conditions under which the resources should be provided. Community-Driven Development (CDD), a term coined by the World Bank, gives the community leadership in planning, organizing, contributing to and selecting the preferred activity. CDD refers to community-based development projects in which communities have direct control over key project decisions, including the management of investment funds.

One specific element of CDD is community-led procurement. It focuses on enabling communities to implement and control the procurement process through their own community organizations. Sajhedari Bikaas's Community Contracting (CC) method is a community-led procurement and contracting approach that results in a more open and accountable development program.

Successful participatory governance is rooted in transparent and accountable systems and actors. By enabling communities to participate in procurement, the Sajhedari Bikaas CC process strengthens local capacity to understand and execute participatory governance principles. By involving as many stakeholders as possible throughout the procurement planning and execution process, the community is empowered to understand how decisions are made and why certain contractors are chosen.

The Community Contracting methodology used by Sajhedari Bikaas focuses on Conflict Prevention, Mitigation and Mitigation (CPMM) and Gender Equality and Social Inclusion (GESI) sensitive methodologies for community level granting and contracting. District NGO (DNGO) staff will be trained in specific models of conflict sensitivity that can be used in the field to mitigate tensions over planning and resources.

7.2 COMMUNITY CONTRACTING, INCLUSION, ACCOUNTABILITY AND ACCESS

The overall goal of Sajhedari Bikaas is for communities to make decisions more collaboratively over resources and to encourage greater access to decision making from marginalized group members. The emphasis is on how communities themselves manage a transparent and accountable contracting/granting process with the minimal amount of conflict. But the Sajhedari Bikaas approach does not stop there. We also want partners and communities to learn to resolve conflicts more effectively and create a more inclusive environment that can help stem social and identity-based conflicts.

Introducing new resources is inherently problematic, especially in communities where elite members of the community have controlled decision-making and access to resources. In Nepal access to resources also stems from the Annual Planning Process and it is critical that where possible we leverage resources that are underutilized from the Government of Nepal (GON) and increase access to these resources by the most marginalized at the Village Development Committee (VDC) and Ward level. Each district will be different and it

is essential that communities learn how to access these resources by advocating for their decision-making needs in a way that is constructive and collaborative and limits the potential for conflict.

The systems and tools used in this manual and training have been developed to complement the guidance of the Local Government Community Development Program (LGCDP) and GON regulations for User Groups (UG) in Nepal. In addition they also reflect some of the best practices and lessons learned from CC in other contexts to ensure that District NGOs (DNGOs) utilize methods to mitigate conflict and create connection between groups.

7.3 PREPARING FOR A COMMUNITY CONTRACTING PROCESS

Sajhedari Bikaas partner DNGOs will first mobilize community members to form a **VDC Project Beneficiary Committee (PBC)**. Partner DNGOs will facilitate a community-led approach to define the process and criteria for membership selection. In some cases the VDC will have an existing Village Citizen Forum (VCF) and this can be used instead of forming a PBC. In some VDCs there may also be a Citizen Awareness Centre (CAC) formed by LGCDP that can also serve as a PBC.

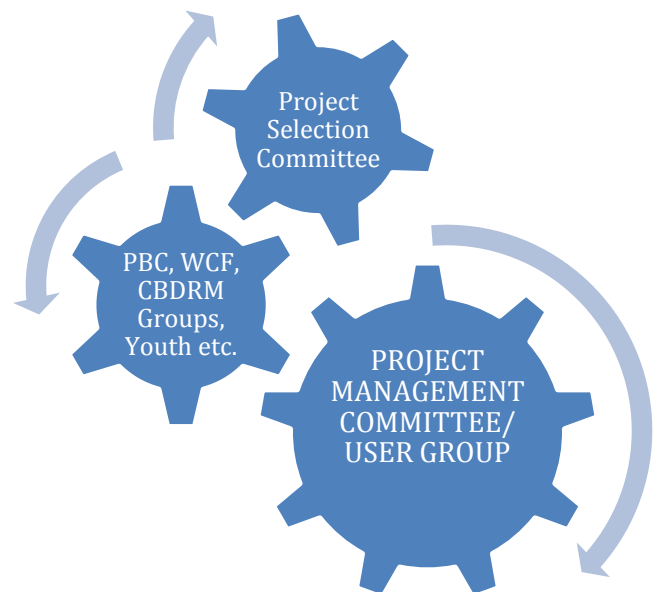
Projects under Sajhedari will be chosen through a mix of public solicitations and also by community selection through the annual planning process. It is essential that a representative group at the VDC level assist in final project selection as well as public communication regarding the selection process and criteria.

Strong facilitation at the onset of this formation and/or coordination is crucial to setting the groundwork for a fair, transparent and accountable process. It is suggested that PBCs be elected/represented at the Ward level, with at least one-two member coming from each WCF. It is essential that this initial process reflects GESI standards and mitigates potential identity group conflict issues by choosing members who are also the most marginalized in the community. Each PBC must be reflective of the following:

- 33.3% women
- 33.3% marginalized group members
- 33.3% youth

The PBC will help the DNGO and staff (Social Mobilizer, community facilitator etc) monitor the progress of the CDP as well as provide support for public accountability with the community. A **CDP Selection Committee (PSC)**, made up of representatives from the community such as, WCF members, CAC members, PBC representatives, VDC officials, and other stakeholders, then will score the applications for the CDP projects proposed at the community level. All applicants, community members and the public witness the evaluation and scoring of each

CDP concept according to a set of pre-determined and public criteria. Based on the final scores, the committee then selects the winner in view of all stakeholders.



MFALD, DDC Officials, VDC Secretary, District Technical Officers, WDO, LGCDP staff, and National Planning Commission staff

Once the CDP process and selection has been advertised in a Public Hearing **Project Management Committees (PMCs) or User Groups (UGs)** will be formed. The PMC/UG should be as inclusive as possible, following similar guidelines as the PBC. It is anticipated that most projects will involve multiple wards so this selection will be critical. As with the PBC, the PMC should be formed following the same guidelines.

Often there are several community organizations and committees operating at the community level, and sometimes there is conflict and tension among these various groups. Programs can either work with existing organizations or help form new groups and committees. This decision needs to be context-specific, ideally decided by the community itself, (if appropriate) with the help of a facilitator, and (if possible) through a process involving a general community assembly. In some cases if there is a case of political control of wards, and/or WCFs this may be a conflict mitigation measure and will help the community resolve some of these power issues over time.

The community must elect the PMC/UG. This must be done at a formal meeting with the majority of the adults in the community present. (Minutes of this meeting with signatures/thumbprints of all those present must be attached to the subproject proposal submitted to Sajhedari Bikaas.) The composition of the committee must be standard in all communities undertaking direct financing. The functions of the committee must include, but not be limited to, overseeing implementation of subprojects, mobilizing community members, collecting community contributions, and reporting (financial and physical progress). The officials elected to the project management committee must be fully aware of their functions and responsibilities for subprojects financed under the project.

Unless there are specific mechanisms put in place to ensure that membership in the project management committee is representative, it is possible that it becomes exclusive to one sex, caste, ethnic or religious group.

A woman and a member from a marginalized group should hold at least 2 of the four management positions, PMC President, Vice-President, Secretary, and/or Treasurer. DNGO staff will support PMCs as needed on the application process and will conduct several VDC level events to ensure access by community members to the CDP process.

After award, the successful PMC, similar to a User Group (UG) will be trained in project management skills and will ultimately be responsible for the project, its completion and sustainable maintenance. The DNGO will support the PBC and the PMC in project management and oversight training and ensure that both have support in conducting the necessary public hearings and social and public audits as required.

The PMC oversees the actual implementation and completion of the project. The PBC remains engaged and helps to monitor and communicate the progress of the project, acting as an external support for the PMC. Using a variety of stakeholders to monitor project implementation ensures there are checks and balances that hold all parties accountable to the community.

7.4 ASSESSING COMMUNITY NEEDS

A simple capacity assessment of sample communities in the target areas allows Sajhedari Bikaas staff to understand the strengths and weaknesses of the intended beneficiaries and to design a suitable training and support program for them. Our DNGO partners will be asked to complete a rapid assessment of needs of the VDCs that they will work in. The assessment may constitute a simple set of questions included in the subproject application form about technical capacity (literacy rates, bookkeeping skills, carpenters, masons, etc.) available in the community. This information will be used to determine what types of training/skill building will be needed. The DNGO may also develop varying levels of training packages and,

based on the level of skills available at the community, determine which level of training package to implement, i.e., a community with weak capacity may receive an in-depth training package lasting several weeks. The capacity assessments will allow Sajhedari Bikaas to put-in-place mechanisms to address identified capacity gaps in the community.

Assessing VDC Needs

In assessing VDC level needs for Community Contracting, the DNGO should assist the PBC in identifying factors unique to their VDC that will support inclusive CC. This will be done on two levels. The DNGO will be required to carry out a rapid assessment of the VDC and then this information will be verified in a ward level discussion and process before implementing a Community Contracting process in the VDC.

Some factors to consider may be:

- Past experience with community-managed projects (what has worked? what has not and why?)
- Are their well-formed and trained WCFs? CACs? Any other structures that coordinate across wards?
- Is there a Community Based Disaster Risk Management (CBDRM) Group?
- Is there an accessible VDC Plan that is reviewed by the Wards annually?
- Is there an APM? What is the role of political parties within the community?
- How often does the VDC Secretary come to the VDC?
- How is the Local Resource Person for LGCDP?
- Are there Social Mobilizers already in place?
- How have community assets been operated and maintained?

- What kinds of revenue does the VDC collect? Within the wards? How is this shared?

- Is there a history of public hearing and social audits?

- Who has been trained within the VDC on GON guidelines and policies?

- Is there a functioning Community Mediation Center?
- How are community funds (own or from external sources) managed and accounts kept?
- What accountability/transparency measures are there at the community level?
- How does the community contribute labor, cash, and materials?
- Do they have experience with hiring and managing contractors?
- Audit reports of previous projects, if conducted, may provide valuable information, and lessons learnt may be addressed in CDP Selection at the community level.

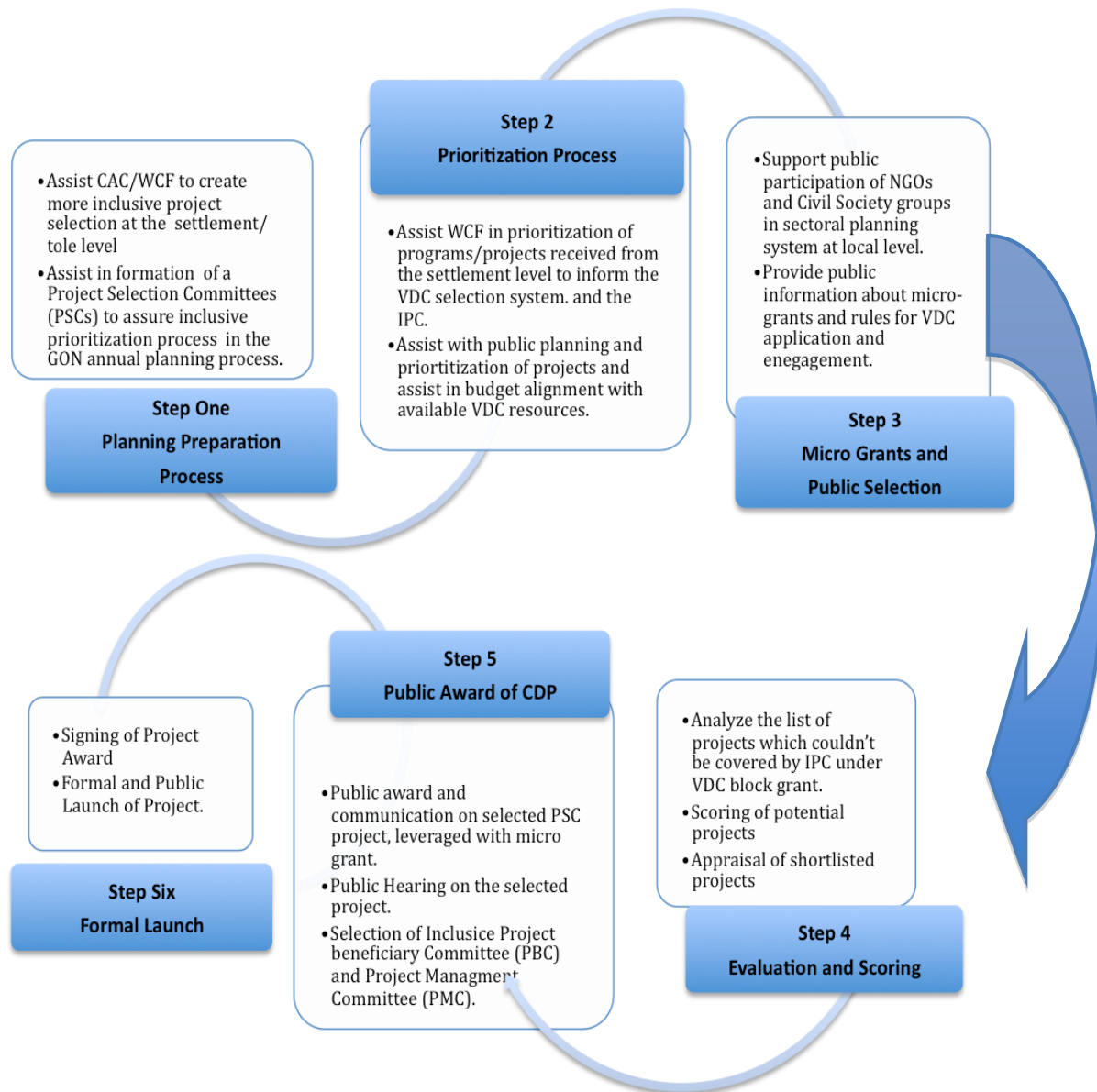
7.5 CREATING TRANSPARENCY AND ACCOUNTABILITY

Creating standard procedures and making them public contributes to the overall transparency. If the community does not know how the CDP micro-projects are chosen there will be continual conflict. It is essential that the process engage as many members of the community as is possible. While these extra steps can take more time or seem cumbersome, they are part of what makes CC impartial and effective.

In CC projects, communities receive funds directly from the funding agency, procure materials, hire

contractors and consultants/technical experts, employ labor (skilled and unskilled), and ultimately manage the overall implementation of the subproject. The Community Contracting Manual and Training that DNGOs will receive provides a basic framework for designing and implementing a project through direct financing to communities. More specifically, it discusses the activities to be carried out at each stage of the project cycle, as well as provides a description of the various types of procurement and disbursement methods that can be used for micro grant projects in the VDCs. Figure 6 below details the Community Contracting Process.

Figure 6, Basic Steps of Community Contracting



7.6 SAJHEDARI BIKAAS PARTNER ROLES

When communities are responsible for implementing subprojects, the role of the funding agency changes significantly *vis-à-vis* the beneficiaries; staff of Sajhedari Bikaas and partners are facilitators providing not just funds but also technical support and guidance to the community throughout the project cycle. Communities remain firmly in the driver's seat, making decisions, administering funds, and managing implementation. Sajhedari Bikaas local partners and staff are critical to the success of the project and the quality of the facilitation, training and support that is provided to the communities is the cornerstone of effective Community Contracting.

Activities undertaken by staff and partners will include:

- **DDC and VDC Preparation:** Local Partners of Sajhedari Bikaas will develop information and education campaigns to provide key messages to communities and other stakeholders throughout the implementation process. (Key messages include information about the project, rules of the game, technical options, technical advice to communities on managing construction, recurrent costs, maintenance, etc.);
- **Facilitation:** Local Partners of Sajhedari Bikaas and field staff will facilitate the local planning process and promote community access to information and resources.
- **Micro-grant and Subproject Appraisal:** Appraisal of community subprojects is carried out at two levels: desk and field. The desk appraisal involves a review of the process and documentation by the Sajhedari Grants and Program Team on the community application process to ensure that it is in line with the scope and objectives of the project, and that it meets the guidelines and criteria set out by USAID. The field appraisal involves assessing the technical, social, and environmental aspects of the proposed subproject, as well as the “readiness” of the community to implement it. This would also include assessing the community’s ability to account for and report on the subproject funds.
- **Financing:** Once a subproject application is approved, Pact and Sajhedari Bikaas enters into a contract (financing agreement) with the community. Usually the community is responsible for all aspects of subproject implementation, including procuring goods, hiring contractors, overseeing construction, and, as necessary, hiring technical experts/consultants to assist in these activities. Funds to the community are released on a tranche basis and depend on the size of the grant, length of implementation period, and capacity of the community.
- **Implementation:** Sajhedari Local Partners and staff train communities in all aspects of subproject implementation, including accounting and bookkeeping, procuring labor and materials, operation and maintenance, and ensuring transparency and instilling accountability in the activities of the community project management committee.
- **Monitoring and Evaluation:** Sajhedari Local Partners and staff with oversight from the Sajhedari Program Support Unit (PSU) develops a monitoring and evaluation plan and completes participatory financial audits of community accounts to ensure proper usage of funds, transparency, and accountability. It also performs technical audits to ensure subproject quality, carries out systematic beneficiary assessments to gather feedback and monitor levels of beneficiary satisfaction with the subproject, ensures that the community develops its own monitoring and evaluation plan, and monitors day-to-day progress.

Figure 7 Sajhedari Roles and Responsibilities Table

PLANNING AND PREPARATION PHASE

COMMUNITY
<ul style="list-style-type: none"> • Elect PBC and Project Selection Committee • Assess, identify and prioritize VDC needs • Agree on community contribution and project plans • Confirm understanding of reasonable Project costs/benefits • Identify appropriate criteria for VDC for selection and evaluation of Community Development Projects (CDPs) • Participate in field appraisal and project selection and evaluation
PROJECT SELECTION MANAGEMENT COMMITTEE/ USER GROUPS (MULTI WARD)
<ul style="list-style-type: none"> • Plan project • Prepare application including Maintenance Plan • Develop Community Contribution plan
LOCAL GOVERNMENT UNITS AND STAFF (VDC SECRETARY ETC.)
<ul style="list-style-type: none"> • Raise awareness among local leaders/communities • Assist community with preparing project • Agree on LG contribution and Maintenance Plan • Coordinate with Local VDC development plans
SAJHEDARI BIKAAS DISTRICT NGO PARTNER
<ul style="list-style-type: none"> • Develop overall information and education campaign targeting key stakeholders Including contractors/suppliers and local leaders with PBC and Community • Involve community and IPs in media strategy • Develop annual program of support to communities • Develop procedures and policies for implementation of subprojects • Facilitate technical review of Subproject proposals as a part of VDC level sectoral planning committee member in close coordination with Sajhedari Team.
IMPLEMENTATION PHASE
COMMUNITY
<ul style="list-style-type: none"> • Mobilize community contribution • Attend project launch ceremony • Support and attend Public Hearings and Social Audits • Monitor PBC/ User Group • Monitor accounting of subproject funds • Monitor procurement of materials/services • Ensure that social audits are conducted • Facilitate and work with GON officials over life of project

<ul style="list-style-type: none"> • Monitor procurement of materials/services • Ensure that social audits are conducted
PROJECT BENEFICIARY COMMITTEE/ USER GROUPS (MULTI WARD)
<ul style="list-style-type: none"> • Monitor community contribution • Organize project launch ceremony • Sign financing Agreement (MOU) • Manage and supervise project implementation • Handle accounting of subproject funds • Hold Public Hearings and Social Audits • Procure materials/services • Contract independent technical supervision • Contract labor (skilled and unskilled) • Day to Day Monitoring of Project Implementation • Report to community, local government, and funding agency
LOCAL GOVERNMENT UNITS AND STAFF (VDC SECRETARY ETC.)
<ul style="list-style-type: none"> • Coordinate and work with community to leverage available VDC funds • Participate in project launch ceremony • Attend Public Hearings and Social Audits • Monitor project implementation • Resolve conflicts as necessary • Foster effective working relationship between Communities and local level institutions
SAJHEDARI BIKAAS DISTRICT NGO PARTNER
<ul style="list-style-type: none"> • Develop and implement capacity building and training for PBC, PSC, PMC and key stakeholders. • Have Sajhedari Bikaas Representative sign financing agreement • Facilitate procurement of goods/services at community level • Maintain unit cost database, list of pre-qualified contractors, develop standard designs • Verify subproject expenditures • Facilitate timely financial disbursements to communities • Monitor operations against targets • Appraise and monitor subprojects/review progress reports • Carry out internal audits/contract external audits • Ensure training and technical oversight for community is sufficient • Facilitate timely financial disbursements to communities • Provide/Coordinate technical supervision visits • Oversee procurement of materials/services
PROJECT COMPLETION/ CLOSURE PHASE
COMMUNITY
<ul style="list-style-type: none"> • Agree on maintenance plan and fees • Attend closing ceremony and support final social audit /hearing • Maintain project assets after completion • Ensure maintenance committee/fund is in place

PROJECT MANAGEMENT COMMITTEE/ USER GROUPS (MULTI WARD)
<ul style="list-style-type: none"> • Put in place maintenance plan and fees • Organize closing ceremony and final social audit /hearing • Sign off on completed project
LOCAL GOVERNMENT UNITS AND STAFF (VDC SECRETARY ETC.)
<ul style="list-style-type: none"> • Attend closing ceremony and hearing • Coordinate with Community on Maintenance Plan and fees as needed • Certify completed projects • Sign off on completed project and note in VDC plan as needed
SAJHEDARI BIKAAS DISTRICT NGO PARTNER
<ul style="list-style-type: none"> • Attend closing ceremony and hearing • Coordinate with Community on Maintenance Plan and fees as needed • Certify completed projects • Sign off on completed project and report on impact

7.7 TRAINING THE PROJECT MANAGEMENT COMMITTEE

The DNGO and staff will provide training in all aspects of subproject implementation to the project management committee. Specifically, training will cover such aspects as, procurement methods and rules; contracting issues including hiring transport, contractors and labor; safe storage of materials; procedures for assessing environmental impacts; bookkeeping; operating a bank account; recording minutes of meetings; and reporting. It must also cover issues having to do with transparency and involvement of the greater community. The length of the training will depend on the capacity of the community and how much training is needed.

A suitable training package must be developed by the DNGO and must adhere and integrate LGCDP's User Committee Guidelines. In addition the DNGO will need to support the PMC and PBC in conducting Public Hearings and Audits. The following guidelines should be used to ensure that training for the PMC and PBC adheres to GON norms and guidance.

LGCDP AND MFALD RESOURCES

1. [Public Hearing Guidance](#)

Summary: Guidance on conducting Public Hearings at the local level.

Language: Nepali

2. [Public Audit Guidance](#)

Summary: Guidance on conducting Public Audits at the local level.

Language: Nepali

RESOURCE LINKS FOR PROJECT MANAGEMENT COMMITTEES /USER GROUPS

3. Local Institutions, GESI Budgeting and Auditing Guideline

Summary: Operational guidance for VDCs on GESI budgeting and auditing practices.

Language: Nepali and English

4. [User Committee Guidelines](#)

Summary: Operational guidance for User Committees.

Language: Nepali

5. Scheme Implementation by User's Committees

Summary: Operational guidance for User Committees to encourage transparency and accountability in practice.

Language: Nepali

TOOL ONE

TERMS OF REFERENCE FOR PARTICIPATORY RURAL APPRAISAL

The objective of the exercise is to assess the capacity of communities to self-manage and implement projects, as well as assess their past experience with maintaining the asset after completion. The DNGO should also assess the legal requirements for community groups to receive public funds. The following issues should be covered:

METHODOLOGY

DNGO staff must visit all targeted VDCs and spend 4 days in each VDC. Each staff will cover 2-3 VDCs each. For gathering information on the points mentioned here, the staff will visit at least three sample Wards/communities from different parts of the VDC, hold PRA type groups exercises and generate information through interactive methods. It is desirable that the exercises are done separately with women, youth and marginalized groups at least once of each in each VDC.

These questions should be discussed during focus group discussions with the communities. All of the questions do not have to be asked in every community but it would be important to establish the extent to which communities have had experience or been involved in such projects. It would also be important to get a balanced GESI perspective. It is essential that these initial FGD include these perspectives.

SECTION 1: ISSUES ON COMMUNITY CONTRACTING

1. Previous experience with self-managed projects.
2. Have women, youth and marginalized groups been targeted for these projects? Any issues of exclusion?
3. Has the community completed any type of development project, which was undertaken by the entire community or community group? Was the experience positive/negative? Why?
4. How was the project identified? Was it a priority/need for the entire community? If not, why was it implemented?
5. Do you have information about VDC planning process and UC guideline? What was the financial source for the project?
6. Was there any environmental assessment take place during the project phase?
7. Were there any community contributions (cash, labor, materials)? How was the community mobilized?
8. Who was responsible for managing implementation? An elected committee? Who participated in the elections?
9. What were the skills necessary for being elected?
10. Who were elected in Committee (GESI Perspective)?
11. What kinds of committees formed through the election (user, monitoring & procurement)? Was the committee legalized in order to receive public funds? What did they have to do?

12. What were the funding arrangements? How was the project implemented? Who managed the funds?
13. Did the community manage procurement of goods/materials? For example, did the community hire a contractor and purchase necessary materials such as cement, roofing sheets etc.?
14. Was an overall procurement plan developed? By whom? With input from the community?
15. Was the contractor a local contractor (from within the community or from a neighboring community) or was it a commercial contractor? What was the experience?
16. How was the contractor hired, e.g., how did they advertise, receive requests for quotations, develop bidding documents etc.? What were the requirements?
17. How the contractor was paid, lump sum, or tranches?
18. Was there a contract signed? (Get copy of contract.) Who drew up the contract? Did community understand the different clauses, e.g. penalty, warranty clauses etc.?
19. Who monitored the contractor's work?
20. What procurement procedures were used, e.g., 3 quotations (shopping), direct contracting etc.?
21. Who was in the procurement committee (GESI perspective)?
22. Who procured goods? Who approved them? Who verified them?
23. What was the quality and availability of materials and services?
24. What specifications were used for the project? Standard designs?
25. What technical skills did the community have in order to implement/supervise the project? If not, how was it managed?
26. Was community labor used?
27. How was wage rate established?
28. What training did the community receive?
29. What were the procedures used for arbitration of disputes? E.g., VDC Secretary as arbitrator, local mediation facilities, local leaders, courts etc.
30. What processes to ensure sustainability? Operation & Maintenance (O&M) committee? User fees?
31. When was the project completed?
32. What was the cost of the project? I.e. (a) How much budget was allocated? (b) What was the actual expenditure of the project?
33. Who uses/benefits from the project?

SECTION 2: FOR COMMUNITIES, WHICH HAVE NOT DONE ANY SELF-MANAGED PROJECTS:

1. What activities have the community carried out as a group? For example, has the community collected funds as a group and carried out some activity.
2. Who has benefited from these activities?
3. What were the difficulties/strengths of carrying out these activities?
4. Who are the community leaders? Why are they considered leaders?
5. What are the community needs/priorities?
6. What has the community done to mitigate some of the problems?
7. What skills exist at the community (contractors, masons, carpenters, bookkeepers)?
8. Has the community or community members hired contractors?
9. What has been the experience?
10. How does the community purchase materials (hardware)?

11. How far are the hardware shops?
12. Is it difficult to reach?
13. Would you consider self-managing a project?
14. What do you see as the strengths of self-managing a project?
15. What do you see as the conflict/difficulties of self-managing a project?
16. What steps did you take to overcome the conflict/difficulties?

SECTION 3: SOCIAL ORGANIZING ASPECTS

Note: These questions are important for the process of community mobilization for natural resource planning etc.

1. What are the traditional institutions and the leadership patterns (variations across the VDCs and within the DDC)?
2. Who resolves and supports matters such as land allocations, revoking lease to individual farmers, conflict resolution mechanism, interface with other more recent institutions if any? Interface with LG, Central government?
3. Land ownership and various forms of entitlements/access to common property resources such as forest lands, grazing rights, water lifting rights (if any) etc. what happens when land ownership is transferred?
4. Control of resources by women – what extent and what is the nature.
5. Are there other forms of interest groups within the communities based on trade, religion, and ethnicity?
6. Are there conflict situations?

SECTION 4: ECONOMIC ASPECTS

1. More in-depth knowledge about choice of crops–cash versus food crops. Where do they source seeds? What prices did they get for the produce, and how much is the middle-brokers commission?
2. What was the source of money to invest for growing crops (own/borrowing)? Is there any saving and credit group in your community?
3. What has been the investment in land development (leveling, maturing, bundling etc) done by the farmers during the last 10 years?
4. Has there been any conflicts arising out of land ownership disputes.
5. Has land grabbing by politically and socially powerful entities happened much?

